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# INTERNATIONAL Herald Tribune

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No. 30,823 PARIS, FRIDAY, MARCH 26, 1982 Published with The New York Times and The Washington Post

## Managua, at UN, Offers Talks But U.S. Says It Is Skeptical

UNITED NATIONS, N.Y. — The leader of Nicaragua's junta, Daniel Ortega Saavedra, told the Security Council Thursday that his government, that of Fidel Castro to Cuba and the leftist rebels of El Salvador were ready to begin negotiations with the United States immediately to improve relations.

The chief U.S. representative, Jeane Kirkpatrick, responded by saying that Washington was skeptical about Nicaragua's avowed interest in peace while it served as "an active conduit" for the flow of war materials to El Salvador and its other neighbors, Nicaragua, she said, was attempting to justify its foreign intervention and domestic suppression by shouting: "The Yankees are coming."

Mr. Ortega, rejecting U.S. demands for restrictions on Nicaragua's arms buildup, called on the Reagan administration to "voice its commitment not to attack Nicaragua" and to repudiate "any direct, indirect or covert intervention in Central America."

"We are willing to improve the climate of relations with the United States on the basis of mutual respect and unconditional recognition of our right to self-determination," Mr. Ortega said.

He also said Nicaragua was ready to sign nonaggression pacts with neighboring countries, but that it rejected U.S. attempts to impose "humiliating restrictions" on its right to acquire arms for national defense.

He accused the Reagan administration of engaging in "aggressive and destabilizing actions" against his country and called on it to stop using neighboring Honduras for actions against Nicaragua and to stop training counterrevolutionaries.

In a heated response, Mrs. Kirkpatrick, who is also the council president this month, rejected allegations by the Nicaraguans that the U.S. was trying to destabilize the Sandinista government and she accused the leftist government of consolidating power by repression.

Mrs. Kirkpatrick said Mr. Ortega was using a double standard, that he was accusing the United States of actions "of which it is itself guilty."

"These charges are as extravagant as they are baseless," she said. "Nicaragua's new political elite has constructed a historical myth to justify its quest for full power. It is of course, they who try systematically to subvert and overthrow neighboring governments." She called for the dispute to be settled by the Organization of American States.

The 14-nation council was called into session at Nicaragua's request.

In his speech, Mr. Ortega said he was authorized by the Castro government to say that Cuba also was ready to begin negotiations with the United States.

Mr. Ortega said negotiations could take place in a third country selected by all parties. Foreign Minister Jorge Castañeda of Mexico has suggested that talks could begin in Mexico next month.

On Wednesday, Mr. Ortega said he would not seek a resolution condemning the United States in Thursday's Security Council debate of Nicaraguan allegations that U.S.-backed forces were planning to invade his country. He said he only wanted to place Nicaragua's case before the council.

Proposals by Secretary of State Alexander M. Haig Jr. to clear the air between Washington and Managua have been relayed to Nicaragua by Mr. Castañeda.

Mr. Haig reportedly offered to renew financial aid to Nicaragua and to stop the training of Nicaraguan dissidents on U.S. soil if the Sandinistas promised not to aid leftist guerrillas fighting the U.S.-backed junta in El Salvador. Nicaragua has denied that it is aiding the rebels.

U.S. government sources said Mr. Haig sent an envoy to Havana this month to try to persuade Mr.



Daniel Ortega Saavedra

## Israelis Dismiss 2 Arab Mayors In Crackdown

By William Claiborne  
Washington Post Service

RAMALLAH, Israel-Occupied West Bank — The two most prominent Arab mayors in the occupied West Bank were dismissed from office Thursday in a crackdown by the Israeli Army command against militant nationalist leadership. The dismissals, and the appointment of Israeli officials to replace the men, triggered new disturbances by Palestinians.

Bassam Shaka of Nabulus and Karim Khalaf of Ramallah, both of whom were crippled two years ago by car bombs that authorities believe were planted by Israeli settlers, were removed from office for "general agitation, nonrecognition of the civil administration and repeated attempts to disrupt public order," according to the Israeli Army command.

The order, which drew a protest from the opposition Labor Party, was issued after consultation with Prime Minister Menachem Begin, officials said.

The dismissals were followed by an escalation of the violence that has left six Palestinian youths dead to the last week after clashes with security forces in the West Bank and Gaza Strip.

An Israeli Army sergeant-major was killed and three soldiers were wounded Thursday when two hand grenades were thrown at their car in the Gaza Strip. Three Arab passers-by were wounded to the blast.

[The radical Democratic Front for the Liberation of Palestine claimed responsibility Thursday for the grenade attack, but the Palestine Liberation Organization later issued a statement saying no Palestinian group was involved in the attack, United Press International reported from Beirut.

After a meeting at which the radicals apparently were pressed to withdraw their claim, the PLO executive committee issued a statement that said, "The PLO has no relation to or responsibility for the bomb incident. Even the DFLP canceled its claim of responsibility."

Mr. Shaka and Mr. Khalaf, who were elected to office in 1976, were picked up at their homes at 6:30 a.m. and driven to central command headquarters, where the dismissal order was read to them. They were not allowed to return to their municipal offices, which were ringed by Israeli troops and blocked by armored personnel carriers.

Coupled with the dismissal last week of Mayor Ibrahim Tawil of Al-Birah and the deportations in May, 1980, of the mayors of Hebron and Halhoul, Thursday's action appeared to curtail severely the Palestinian nationalist leadership in the West Bank.

Throughout the West Bank, Palestinians stoned Israeli vehicles and set up roadblocks of burning tires, while a general strike continued to paralyze the occupied territories. About 20 Arab youths were arrested in clashes with police in East Jerusalem.

Mass Resignations Considered

The mayors of Arab towns in the West Bank began holding meetings to consider mass resignations in protest of the dismissals of Mr. Shaka and Mr. Khalaf, and opposition parties in the Knesset, Israel's parliament, condemned the move as provocative and unnecessary.

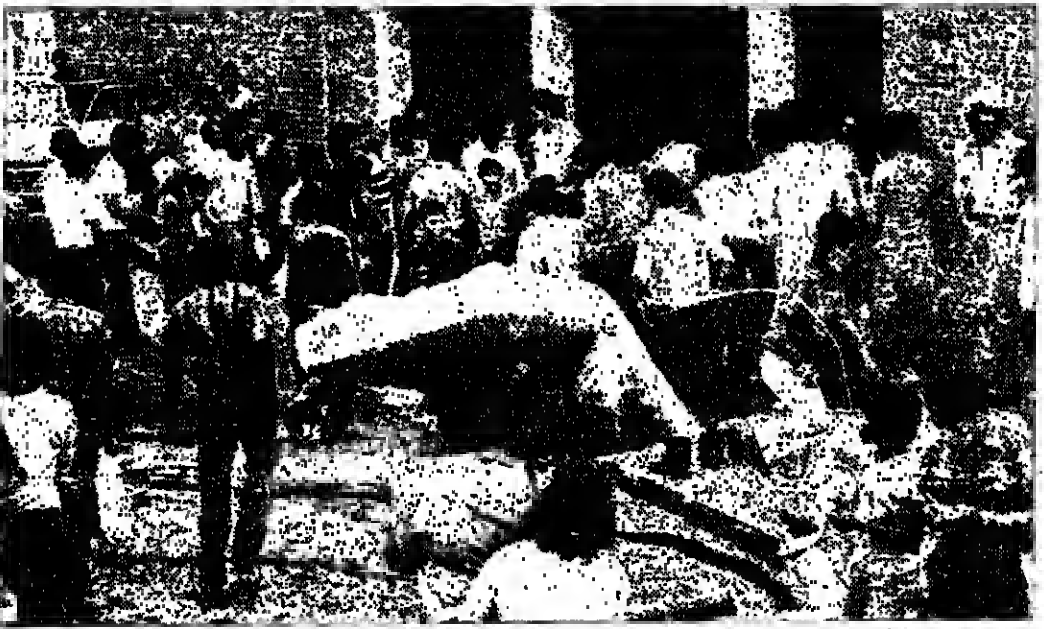
The army command said both mayors were "extreme and uncompromising" supporters of the (Continued on Page 2, Col. 6)



Israeli troops stood guard Thursday on a street in Nabulus.



Mayor Bassam Shaka of Nabulus talked to a well-wisher after he and another West Bank mayor were dismissed by Israel.



Youths looted the Guatemala City residence of former Interior Minister Donald Alvarez Ruiz, who was in Miami during the coup. Twenty men guarding the house had been arrested earlier.

Castro to stop supporting the guerrillas as well.

The officials, who asked not to be identified, said Wednesday that reports by CBS and the French newspaper, Le Monde, that Mr. Haig sent Gen. Vernon Walters on the mission were true. Le Monde said Gen. Walters, a former deputy director of central intelligence and now an ambassador-at-large, met with Mr. Castro for four hours.

Deputy Secretary of State Walter J. Stoessel said he could neither confirm nor deny the report.

Meanwhile, The New York Times quoted Reagan administration officials as saying that they would approve of negotiations between a new Salvadoran government and the leftists as long as it was made clear that no sharing of power with the guerrillas would be imposed on the Salvadoran regime.

Power could be shared by the insurgents only through elections, The Times quoted the officials as saying. A national election is scheduled in El Salvador on Sunday, but leftist leaders have refused to participate.

Election Center Attacked

SAN SALVADOR (UPI) — Guerrillas attacked El Salvador's central election headquarters twice Thursday, but an official said there was no damage or injuries.

Election Commission President Jorge Bustamante said on radio that there was no damage from the attacks. He said ballots and ballot boxes had already been distributed.

Several other shooting incidents were reported to and around San Salvador as police braced for guerrilla attacks marking the 10th anniversary of a brief, unsuccessful leftist coup.

U.S.-trained commandos in combat gear appeared on the capital's streets Wednesday, leading patrols. It is unusual for the commandos to patrol the city, and soldiers said they would be on duty through Sunday, when Salvadorans vote for a constituent assembly.

Journalists reported that some of the shooting around the election commission was between national guardsmen and national police who mistook each other for the rebels.

Meanwhile, a rightist death squad denied it was behind a threat to kill 35 local and foreign correspondents named to a death list circulated March 16. In a statement published by the newspaper La Prensa Grafica, the group said the list was released by "the Communists themselves." The statement added that the group "lamented" the deaths of four Dutch journalists killed by government troops the same day.

## Arabs Assail Israel in UN Over Violence

By Bernard D. Nossiter  
New York Times Service

UNITED NATIONS, N.Y. — Jordan accused Israel of "instituting a reign of terror" in the West Bank as the Security Council opened debate on the increasing violence in the occupied territories.

Israel replied that Jordan and the Palestine Liberation Organization were responsible for the violence of the last week. Yehuda Z. Blum, the Israeli delegate, said Israel was building a "framework for the peaceful coexistence between Jew and Arab" but that Jordan and the PLO were "conspiring to destroy it."

Speaking Wednesday for the Arab countries, Hazem Nuseibeh, the Jordanian delegate, accused Israel of "wanton, inhuman and indiscriminate use of firearms" against Palestinian demonstrators.

Mr. Nuseibeh said Israel was engaged in a "racist solution" designed to "empty the territories" of their lawful inhabitants.

Mr. Blum accused Jordan of hypocrisy and of oppressing Palestinian Arabs in the years it held the West Bank. He said the latest disturbances were due directly to orders issued by the PLO commanding West Bank Arab leaders to refuse to cooperate with the Israeli civilian authorities. Mr. Blum asserted that the mayor of Al-Birah, Ibrahim Tawil, had obeyed this order, leading to his dismissal and that of the town council.

Then, Mr. Blum said, "Hundreds of people attacked small units of soldiers, who sometimes had no choice but to protect themselves from death or injury by firing shots into the air."

According to Arab sources, Arab envoys are drafting a resolution for the Security Council that would condemn Israel, demand that it reinstate the Al-Birah council, call on Israel to halt its stern measures against demonstrators, treat Palestinians in accord with a 1949 Geneva convention protecting people in occupied zones and end the occupation of the West Bank.

It asks UN Secretary-General Javier Perez de Cuellar to report in four days on whether Israel has reinstituted the Al-Birah council. Israel is expected to ignore this. If the measure is adopted by the Security Council, the ground would be laid to bring sanctions against Israel.

The United States has always vetoed attempts to impose sanctions, but American officials have said they are concerned about the violence in the West Bank, and it is not clear whether the United States would veto the Arab draft now being circulated.

No vote is likely for several days, both because of the number of nations that want to discuss the West Bank and because of the debate on Nicaragua's complaint that the U.S. is threatening an invasion.

## 3 Soldiers Slain by IRA in Belfast

The Associated Press

BELFAST — Five Irish Republican Army guerrillas using an M-60 machine gun opened fire from an ambush Thursday on a British Army patrol, killing three soldiers, wounding a fourth and hitting two civilians in a crowded Belfast street, police said.

The ambush took place a day after the province's police chief confirmed the arrest of dozens of guerrillas based on information from a string of informers and declared: "The terrorists are reeling."

The attackers opened fire from the windows of a house they had taken over.

"It was a diabolical attack carried out with cold-blooded precision," said Chief Superintendent Jimmy Crutchley. "The street was crowded at the time with people sitting outside enjoying the sunshine."

One of the soldiers was killed instantly, police said, a second died on the way to the hospital and the third was pronounced dead there after efforts to save him failed.

The two injured civilians, and five others suffering from shock, were taken to a nearby hospital but were not thought to be seriously hurt, Alison Tynan, a spokeswoman for the Belfast police, said.

The condition of the fourth soldier was not immediately known.

Police said the ambush took place near the Springfield Road area of West Belfast, an IRA stronghold and scene of countless sniper attacks.

Family Held Hostage

They said that late Wednesday night, five gunmen invaded the small, red-brick house of Anne McGivern, 81, and prevented her, her daughter Christine and son-in-law Eamon Quinn from leaving.

At mid-morning Thursday, a two-vehicle army patrol turned down the street in front of her house and the gunmen opened fire from second-floor and ground-floor windows, a police spokesman said. The guerrillas are believed to have used two rifles and an M-60 machine gun.

"There were a lot of children around," said Kathleen McKenna, who dashed out into the street after her son Joseph, 3, "I just grabbed Joseph and threw him into the hallway," she said.

After the attack, the gunmen fled from the back of the house, leaving the family unharmed, police said.

The soldiers, members of the Royal Greenjackets regiment, were the first full-time servicemen killed in the British-ruled province since last September. A total of 10 soldiers were killed in 1981.

An IRA statement, distributed by Sinn Fein, the outlawed group's political wing, said, "This morning's attack, while not to direct response to British-inspired stories to the effect that the IRA is finished — all of which we have heard before — demonstrates in a practical fashion that the IRA is here to stay and that the struggle will continue until our objectives are achieved."

British Rule

The almost exclusively Roman Catholic guerrilla group is fighting to end British rule in the Protestant-dominated province and unite it with the Irish Republic.

A total of 346 British soldiers have been killed to the province since guerrilla warfare flared in August, 1969.

Recent defections by several key IRA members have led police to arrest an increasing number of terrorists and seize several large caches of arms and explosives.

Reaction to the defections also was thought to be behind a bomb blitz March 15 that shattered five months of relative calm in Ulster.

## Guatemala Election Is Nullified

United Press International

GUATEMALA CITY — Guatemala's military junta Thursday declared null and void the March 7 presidential election that was denounced as fraudulent by the three losing candidates and that sparked the officers' rebellion.

The Young Officers Movement that mounted the coup Tuesday to depose President Romeo Lucas Garcia said it was undertaken to overturn the "fraudulent" presidential election.

Mr. Lucas Garcia has been accused of organizing the alleged fraud to install a handicapped successor, Gen. Angel Anibal Guevara.

The three-member military junta announced the decision to cancel the results of the election at a news conference. A military spokesman said the junta made the decision because the election was "corrupt." No plans were announced for a new election in the country of 7.2 million people.

Gen. Efraim Rios Montt, head of the junta, pledged earlier Thursday that he would not run for the presidency after he returned the country to civilian rule, but he gave no date for the transfer of power.

Gen. Guevara, the official party candidate, had been scheduled to take office July 1. He reportedly is in the United States. The three losing civilian candidates, who denounced the election as fraudulent, have said they support the coup.

The junta chief also said that Mr. Lucas Garcia and his brother, Benedicto Lucas Garcia, who had been army chief of staff, were under house arrest at a ranch in the remote region of Escobedo, Alta Verapaz. Other reports said President Lucas Garcia had been flown out of the country.

When asked whether he would run for president once civilian rule was restored, Gen. Rios Montt replied: "I will not accept any candidacy for the presidency of Guatemala because I have responsibilities that cannot be postponed with the army and those do not figure in, precisely, with the presidency of the republic."

Earlier, a rightist politician who said he helped dissident military officers overthrow President Lucas Garcia denied that Washington had advance knowledge of the coup.

"Movements such as this cannot (Continued on Page 2, Col. 3)

## Bangladesh: Is Democracy Dead?

### Coup Signals Possible Long-Term Military Role in Regime

By Tyler Marshall  
Los Angeles Times Service

CALCUTTA — The military takeover in Bangladesh represents a major setback for the cause of democracy in the Third World.

Although the country's brief history has been punctuated with fits of political violence that claimed the lives of two elected leaders, its attempt at democracy was considered a major triumph from those in the West who followed the experiment.

Unlike many other Third World countries where claims of free elections have been highly questionable, the effort to Bangladesh appeared genuine.

After President Ziaur Rahman was assassinated on May 30, 1981, Lt. Gen. Hussain Mohammad Ershad, chief of staff, chose not to take over. Instead, he let the constitutional successor, aging Vice President Abdus Sattar, become acting president.

Too Fragile

"Democracy should be given a chance to survive," Gen. Ershad said in an interview to August, 1981. But that chance ended on Wednesday, when Mr. Sattar, 75, who had received a ringing endorsement at an election the following November, was deposed, his five-year term finished after barely four months.

The country's democratic institutions proved too fragile to protect a weak elected president from an ambitious military chief.

The dominance of personalities over institutions, a danger in all but the most mature political systems, is a major factor in the failure of democratic experiments in the Third World.

Ironically, Mr. Sattar's weaknesses were important in his rise. His grandfatherly image, advancing years and lack of political ambition made him an ideal vice president for Zia.

However, once at the helm, he proved incapable of confronting the country's economic and political ills. He tried easily, tended to become distracted quickly and had little control over either the armed forces or the fractious Bangladesh Nationalist Party he inherited from Zia.

A massive foreign assistance effort has helped Bangladesh, and that probably has heightened awareness abroad of its struggle to build democracy and economic self-reliance, and sharpened disappointment at its failure.

Acknowledged as the world's second poorest nation behind the tiny Himalayan kingdom of Bhutan, Bangladesh, with 90 million people squeezed into an area of 144,020 square kilometers (55,598 square miles), owes its marginal economic improvement mainly to international aid, which is currently running at around \$2 billion a year.

But aid is diminishing. That fact, along with a foreign-exchange crisis, growing budget deficits, deteriorating terms of trade, food shortages, rising prices and endemic corruption, all contributed to the crisis that eventually brought Mr. Sattar down.

There are few signs pointing to an early return to civilian rule. In fact, there is evidence to suggest that full civilian rule may have ended for the foreseeable future.

Since Zia's death, Gen. Ershad and other senior officers have insisted that the military be given a formal role in running the country, and it is practically certain that this role will be institutionalized before Gen. Ershad returns the country to a civilian president.

Gradual Concessions Made

Mr. Sattar, who at a news conference on election night last November summarily rejected any such arrangement, gradually gave ground. He first agreed to establish a nine-member National Security Council, including the three service chiefs, to act as a presidential advisory body.

Later, under pressure from Gen. Ershad, he reduced its number to six, with the president, vice president and prime minister the only civilian members. This, however, apparently did not go far enough.

There has been talk of military officers serving both as ministers and as advisers within ministries. Gen. Ershad has argued that military involvement in government is



Hussain Mohammed Ershad

the only way to defuse the discontent within the officer corps that triggered more than a dozen coup attempts against Zia before the final, fatal one last May. The country's first elected leader, Mujibur Rahman, was also assassinated by a group of army officers in August, 1975.

New Laws Announced

NEW DELHI (UPI) — Gen. Ershad announced new martial-law regulations Thursday, including the death penalty for illegal possession of arms or explosives.

The Bangladesh radio broadcast the measures early Thursday and said tribunals were being set up to administer martial law.

The authorities said more than 100 persons had been arrested under new regulations, including three former cabinet members. The former ministers were not immediately identified.

## 17 Dozier Kidnappers Are Sentenced in Italy

The Associated Press

VERONA — A Verona court Thursday convicted 17 members of the Red Brigades for the kidnapping of a U.S. Army general and sentenced them to prison terms ranging from 26 months to 27 years.

The three judges delivered the verdict after seven hours of deliberation. Antonio Savasta, 27, the confessed leader of the group that kidnapped Brig. Gen. James L. Dozier from his Verona apartment Dec. 17, appeared nervous and shook his head as his sentence was read: 16 years and 6 months in jail, two and a half years more than the prosecution had demanded.

The police said Mr. Savasta, who had turned state's evidence, gave them information that led to the arrest of 200 leftist terrorist suspects.

The highest sentence — two years and two months — was given to Ruggio Volinra, 25, who drove the getaway car the night Gen. Dozier was kidnapped and who later led the police to the hideout where the general was being held.

The longest term — 27 years — was given to Cesare Di Leonardo, 23, captured when the police raided the Padua hideout Jan. 28 and freed the general.

During the two-week trial, the defense claimed that the police tortured some of the suspects, administering electric shocks and beating them, and that they had been interrogated without lawyers present.

But the key defendants in the case, including four of the five arrested when the police stormed the Padua "people's prison," admitted their role in the kidnapping and agreed to turn state's evidence.

The defense, which rested its case Wednesday, requested leniency for the defendants, arguing that they did not harm the general during his 42 days in captivity.

Gen. Dozier testified last week that his kidnappers did not physically mistreat him, but he said he was chained to a cot in a tent and forced to listen to loud rock music through earphones. He said the music had permanently damaged his hearing.

The general, who was the highest ranking U.S. officer at the NATO base here, flew to the United States Wednesday to take up a new assignment at Fort Knox, Ky.

Reagan Thanks Pertini

WASHINGTON (AP) — President Reagan thanked President Sandro Pertini of Italy on Thursday for the release of Gen. Dozier from captivity at the hands of "a gang of brutal and inhuman thugs aided and abetted by foreign powers."

Welcoming Mr. Pertini to the White House at the start of a nine-day visit to the United States, Mr. Reagan told his guest that terrorism was as threatening to freedom and independence "as foreign tanks or nuclear missiles."

### INSIDE

#### Polish Writeoff

A Communist official says there has been little progress in re-establishing Poland's independence union movement because of intransigence on the part of interned union leaders and "a strong tendency in government to write off Solidarity." Page 2.

#### French Controls

French authorities have tightened exchange controls in an attempt to bolster the franc against the dollar and the Deutsche mark. Page 9.

#### Asian Timber

Throughout rural Thailand, government inspectors stop trucks at roadblocks thousands of times each day in search of contraband cargo — not guns or drugs, but wood. Page 5.

### TOMORROW

#### At Sea

Planning a spring vacation? A guide to cruises, listed by destination rather than port of departure, will appear tomorrow in the Weekend section.



## Polish Party Official Plays Down Union Role in Legitimizing Rule

By Dan Fisher

**WARSAW** — There has been virtually no progress toward re-establishing Poland's independent trade union movement because of intransigence by interested union leaders and "a strong tendency in government to write off Solidarity" as not essential to national reconciliation, according to an influential Communist Party official.

"A few years from now, Solidarity may be reduced to a footnote in postwar history," said Jerzy Wiatr, director of the research arm of the party's Central Committee.

Mr. Wiatr's comments were presented in an interview as a dispassionate assessment of political realities in Poland under martial law.

While his views are arguable, they provide insight into the thinking of at least a portion of the top leadership. They challenge popular Western perceptions and statements by leaders of Poland's Roman Catholic Church that the Polish authorities ultimately must come to terms with the suspended union if they hope to achieve even minimal legitimacy.

### No Negotiations

Mr. Wiatr's comments coincided with a concerted effort to discredit the most radical elements of Solidarity in the official press and to ignore the union's leader, Lech Walesa, and others.

Trade Union Minister Stanislaw Ciolek recently denied reports that a top government official met secretly with Mr. Walesa late last month. A government spokesman, Bogdan Jaschak, said in a separate

interview that there had been no negotiations with other Solidarity leaders since martial law was declared Dec. 13.

Mr. Wiatr, director of the party's Institute of the Basic Problems of Marxism-Leninism, is considered a moderate. In an article published just before Dec. 13, he said the country's main social forces should share power.

He contended in the interview that the union "rejected a very generous offer" late last year to share power in a government-proposed Front of National Reconciliation, thereby losing a historic opportunity. Now, he said, the union no longer stands and the union must decide between two alternatives:

"They can accept much less, knowing that the system will be in many ways defective compared to what it would have been, or they can choose nonparticipation — sometimes called internal emigration."

While political power-sharing is no longer a possibility, Mr. Wiatr said, "An independent self-governing trade union is still within reach — a trade union led by truly elected leadership that would operate independent of government control, other than the government guarding the fences between the union and its political ambitions."

However, he added that "internal Solidarity" leaders still have "unrealistic views" of their power, and that this makes them reluctant to make what they see as needless concessions to the authorities.

"It goes back to their initial misperception — that they had behind them the whole nation and

that the government had nothing to play with," he said.

Even the government was surprised by the relatively low level of resistance to martial law, Mr. Wiatr said. He argued that "purely technical military factors" do not fully explain why active resistance to martial law was so quickly put down.

While Poles were "very critical of the government, and particularly of the party," they were also critical of Solidarity, he said. "People feared intensely what the future would bring. Martial law provided some kind of stability. The public is not enthusiastic [about martial law] but neither is it against the government and pro-Solidarity. Otherwise, there would be no way to stop massive shows of dissent."

Both sides would have a lot to lose by entering negotiations, Mr. Wiatr said. "If Solidarity enters negotiations, it implicitly recognizes the legitimacy of the government, and if the government enters them, then it recognizes the leadership of Solidarity as legitimate."

### No Concessions to West Seen

**WARSAW (Reuters)** — Foreign Minister Jozef Cyrtek reiterated Thursday that the authorities were not ready to trade political concessions at home for an end to Western sanctions.

Mr. Cyrtek condemned the sanctions in a speech to the Sejm, or parliament, and implied that they were harming Poland's chances of repaying its debts to the West.



Hans Wiegel, leader of the opposition Liberal Party in the Netherlands, waves to well-wishers after his election victory.

## Shift to Right by Voters Threatens Dutch Party

From Agency Dispatches

**THE HAGUE** — A sharp swing to the right in Dutch provincial elections has weakened the position of the Labor Party, which is one of three parties in the country's coalition government.

In polling Wednesday to choose assemblies in all 11 Dutch provinces, Labor's share of the national vote dropped to 21.8 percent from 28.3 percent in general elections of last May.

The main opposition party, Hans Wiegel's Liberals, which is a conservative party, made the largest gains, winning 22.2 percent of the vote compared to 17.3 percent last year. It was the first time in nationwide elections that the Liberal Party has won more votes than the Labor Party.

The leading coalition party, the center-right Christian Democrats, led by Premier Andries van Agt, increased its share of the vote to 33.4 from 30.9 percent. The third member of the coalition, Democrats '66, won 8.3 percent of the vote, down from 11 percent last year.

The results were said by analysts to reflect widespread discontent with the performance of the government. The gains for the Christian Democrats and the Liberals suggested that the 9.5 million Dutch voters might prefer a return to the center-right coalition between the two parties, which ruled the country with Mr. Van Agt as premier from 1977 to 1981.

The freeze resolution before Congress calls for a total ban on the production, testing and deployment of nuclear weapons. It has drawn support from citizens' groups across the nation, but strong opposition from the Reagan administration.

Mr. Weinberger and others have argued that a freeze would perpetuate the current Soviet advantage in Europe-based intermediate-range nuclear weapons.

U.S. officials have said the Soviet Union has deployed 300 such missiles, with a total of 900 warheads in the European portion of the Soviet Union, and that the United States has no intermediate-range nuclear missiles of similar capabilities in Europe.

Speaking of a freeze resolution that has attracted 22 co-sponsors in the Senate and 240 supporters in the House, Mr. Weinberger said its passage "would be tragic. I hope nothing of that kind ever comes to pass."

Although Leonid I. Brezhnev, the Soviet president, said on March 16 that Moscow has halted deployment of intermediate-range SS-20 missiles, a NATO communiqué issued at the close of the meetings Wednesday alleged that the Soviet Union is continuing to construct additional bases for SS-20s.

The Soviet missile buildup makes the NATO decision, made in December 1979, to deploy its own new medium-range missiles in Europe "even more compelling," Mr. Weinberger said. He added that without the strategic deterrence that decision will provide, NATO would be "inviting aggression."

The NATO communiqué contained no surprises. As expected, the ministers reaffirmed their support for the Reagan administration's so-called "zero-option" plan for the reduction of intermediate-range missiles in Europe, under which NATO would forgo its deployment plans in return for removal of the intermediate-range Soviet weapons.

They also expressed strong support for an early start to U.S.-Soviet talks on the reduction of strategic, or long-range, nuclear weapons.

The formal NATO rejection of Soviet freeze proposals in the communiqué was not endorsed by Denmark. NATO sources said Denmark's reluctance to condemn the proposals was the result of domestic political pressure.

### Momentum Diffused

"Not only were we beaten by a piece of sophistry at Westminster, but we have allowed the momentum we had built up to be diffused, at least as far as the politicians are concerned."

It was a comment typical of an extreme opinion in Scotland, where extremists want either the status quo or total independence, but of the middle ground.

Fiona Morrison, a literary agent, listened to Mr. Crawford and commented, "This combination of defeatism and arrogance, is it a Celtic weakness?"

Alan Devereux, chairman of the Scottish Tourist Board, accused Scots of harboring "timid, negative

icy, and have the right to veto the budgets of municipal councils in their areas."

The Labor Party leader, Deputy Prime Minister Joop den Uyl, said Thursday that his party had suffered a major setback. He said the Christian Democrats would be strongly tempted to try to push the Labor Party out of the coalition.

Many voters blame the Labor Party for the government's failure to agree on an economic policy. The Labor Party has been resisting spending cuts sought by the Christian Democrats to deal with a growing budget deficit.

Mr. Weinberger, speaking Wednesday at the end of a two-day meeting of defense ministers representing NATO member countries, strongly defended the alliance's decision to reject a Soviet freeze on the deployment of intermediate-range nuclear missiles in Europe, and to proceed with the modernization of NATO's own nuclear arsenals there.

The freeze resolution before Congress calls for a total ban on the production, testing and deployment of nuclear weapons. It has drawn support from citizens' groups across the nation, but strong opposition from the Reagan administration.

Mr. Weinberger and others have argued that a freeze would perpetuate the current Soviet advantage in Europe-based intermediate-range nuclear weapons.

U.S. officials have said the Soviet Union has deployed 300 such missiles, with a total of 900 warheads in the European portion of the Soviet Union, and that the United States has no intermediate-range nuclear missiles of similar capabilities in Europe.

Speaking of a freeze resolution that has attracted 22 co-sponsors in the Senate and 240 supporters in the House, Mr. Weinberger said its passage "would be tragic. I hope nothing of that kind ever comes to pass."

Although Leonid I. Brezhnev, the Soviet president, said on March 16 that Moscow has halted deployment of intermediate-range SS-20 missiles, a NATO communiqué issued at the close of the meetings Wednesday alleged that the Soviet Union is continuing to construct additional bases for SS-20s.

The Soviet missile buildup makes the NATO decision, made in December 1979, to deploy its own new medium-range missiles in Europe "even more compelling," Mr. Weinberger said. He added that without the strategic deterrence that decision will provide, NATO would be "inviting aggression."

The NATO communiqué contained no surprises. As expected, the ministers reaffirmed their support for the Reagan administration's so-called "zero-option" plan for the reduction of intermediate-range missiles in Europe, under which NATO would forgo its deployment plans in return for removal of the intermediate-range Soviet weapons.

They also expressed strong support for an early start to U.S.-Soviet talks on the reduction of strategic, or long-range, nuclear weapons.

The formal NATO rejection of Soviet freeze proposals in the communiqué was not endorsed by Denmark. NATO sources said Denmark's reluctance to condemn the proposals was the result of domestic political pressure.

### Moscow Condemns Decision

**MOSCOW (AP)** — NATO's decision to proceed with plans to set out 572 missiles in Europe late in 1983 "runs counter to the interests of peace and lessening of tension," Moscow radio said Thursday.

The radio comment was the first Soviet reaction to NATO's reaffirmation Wednesday of its plan to deploy the missiles.

### Russia Orbits Cosmos-1344

**MOSCOW** — The Soviet Union has launched Cosmos-1344, an exploration satellite, Tass announced Thursday. The satellite circles the globe once every 105 minutes, the reports said.

## Scots Reconsider Home Rule Issue

### Poll Shows Strongest Support for Devolution in Years

By R.W. Apple Jr.

**EDINBURGH** — Three years ago, the people of Scotland voted, 52 percent to 48 percent, in favor of limited home rule after a campaign that evoked for many Scots bitter feelings over English domination since the Act of Union of 1707.

But that margin was not enough. It amounted to 33 percent of all registered voters in Scotland, far short of the requirement set by Parliament that 40 percent, rather than a simple majority of those voting, had to give their assent in the balloting of March 1, 1979.

As a result, no powers were relinquished by London to Edinburgh, the splendid chamber prepared for the new legislature remained vacant and the whole subject of "devolution," or delegation of power, passed out of the vocabulary of English politicians and English newspapers.

But it has not been forgotten. North of Hadrian's Wall, which the Roman emperors built across northern England in the second century.

"We feel cheated," Iain Crawford, a former official of the Edinburgh Festival, said recently.

### 'Momentum Diffused'

"Not only were we beaten by a piece of sophistry at Westminster, but we have allowed the momentum we had built up to be diffused, at least as far as the politicians are concerned."

It was a comment typical of an extreme opinion in Scotland, where extremists want either the status quo or total independence, but of the middle ground.

Fiona Morrison, a literary agent, listened to Mr. Crawford and commented, "This combination of defeatism and arrogance, is it a Celtic weakness?"

Alan Devereux, chairman of the Scottish Tourist Board, accused Scots of harboring "timid, negative

and apologetic" attitudes about the place where they live, and of "giving the world the impression that we live on haggis," a dish made of sheep's heart and liver, and boiled in the animal's stomach.

The most recent opinion poll, taken by Market and Opinion Research International in mid-February, showed the strongest support in years for some sort of self-government. Of 1,120 adults questioned, 23 percent favored independence, 53 percent backed limited home rule, 19 percent preferred no change at all and 5 percent had no opinion.

## Voting Is Heavy For Glasgow Seat

**GLASGOW** — Voters turned out in large numbers Thursday for a special parliamentary election that may determine the future of a new alliance that is pledged to change the face of British politics.

Roy Jenkins, co-leader of the fledgling Social Democratic Party and candidate of its alliance with the Liberal Party, said: "I'm reasonably confident but taking nothing for granted."

The former Labor Party Cabinet minister was buoyed by three final polls giving him a lead of 6 points.

Election officials reported a heavy turnout among the 40,000 voters of the middle-class district, Conservative territory for 63 years. Results are expected Friday.

Earlier polls had shown Mr. Jenkins neck-and-neck with the Conservative candidate, Gerry Malone, and Labor's David Wiseman, while George Leslie of the Scottish National Party was trailing with only about 12 percent.

Harsh economic conditions, much worse than those in England, have undoubtedly influenced attitudes. But there is more to it than that.

Almost every day, Scots complain about some slight or other inflicted upon them by the English, and particularly by the British Broadcasting Corp. In March, the grumbles have concerned a popular series set in Scotland that uses mostly English actors.

A bit more attention than usual, however, has been paid to Scotland of late by politicians in London in advance of Thursday's election in the Hillhead constituency of Glasgow. Many traveled north to speak for their parties' candidates, and many of them endorse devolution, even though the chances of parliamentary action in the next two years are said to be slim.

As a rule, the Scots have very little clout on any subject with Prime Minister Margaret Thatcher or, for that matter, with any Conservative government, because the party never wins many seats in Scotland. In 1979, the Conservatives won 339 seats nationwide, only 22 of them in Scotland.

But Hillhead has brought one small boon to Scotland, by concentrating the attention of the chancellor of the Exchequer on the plight of the Scotch whisky industry. In his budget, the official Sir Geoffrey Howe, called for a tax increase on Scotch of only 30 pence (about 34 cents) a bottle, rather than the 40 pence or 50 pence the industry had feared.

Until 1980 the sales of whisky were doubling every eight years. Now, as a result of a world recession, increasing preference for wine and vodka in the United States and even-rising taxes, some distilleries are closed and others are working 32-hour weeks.

The situation, said a salesman in an Edinburgh shop specializing in old malt whiskies, "is enough to make a man turn to strong drink."

## WORLD NEWS BRIEFS

### Space Shuttle's Robot Arm Works

**CAPE CANAVERAL, Fla.** — The space shuttle's robot arm lifted an electric-field monitor out of the payload bay Thursday in an important "first" that proved the remotely controlled skyhook will be able to launch satellites.

Television pictures from the spacecraft showed the instrument assembly hanging from the end of the arm above the Columbia. It was a flawless performance for the most important test of the fourth day of the shuttle's weeklong flight.

After a brief test, Air Force Col. C. Gordon Fullerton had the 50-foot boom hoist the 82-pound assembly of magnetic and electric-field detectors above the ship. He moved it to various positions to map the electrical characteristics of the thin upper fringes of the ionosphere as the shuttle moved through it.

### Hanghey Unveils Stringent Budget

**DUBLIN** — The new government of Prime Minister Charles J. Hanghey unveiled budget proposals Thursday almost as severe as the measures that toppled the last government in January. But political sources said the new budget was likely to be approved.

Under the plan, the price of beer, cigarettes and gasoline would rise sharply and the Value Added Tax would be increased from 15 to 18 percent. The measures are aimed at righting an economy suffering from a 23-percent inflation rate, 12-percent unemployment and a national debt of 10 billion Irish pounds (\$15 billion).

The minority Fianna Fail government removed the two proposals that brought down Prime Minister Garret FitzGerald's Fine Gael-Labor coalition two months ago. There will be no VAT sales tax on children's clothing and shoes, and food subsidies will be retained.

### U.S. Rehires 3 Fired Air Controllers

**WASHINGTON** — The Reagan administration has rehired three air traffic controllers who went on strike last summer. The administration had said it would never rehire any strikers, but a Federal Aviation Administration spokesman said at least one of the three was hired because she had been harassed into striking.

The spokesman, Fred Farrar, confirmed Thursday that Joan Plummer, a former controller in Texas, was rehired. It was the first move since President Reagan fired about 11,500 illegally striking air traffic controllers in August.

Mr. Farrar said two others who walked out, whom he would not identify, were also rehired. They worked in the Great Lakes region and in the Atlanta area, he said. The FAA is reviewing the cases of about 1,000 fired workers and may relocate them, too, Mr. Farrar said.

### Uganda Orders Red Cross to Leave

**KAMPALA, Uganda** — The Ugandan government has ordered the International Committee of the Red Cross to leave the country by March 31, and to turn over its activities to the Uganda Red Cross on grounds that the war in Uganda has ended.

Jean-Claude Rochat, the head of the international organization in Uganda, confirmed Thursday that the government had asked it to leave. Mr. Rochat, a Swiss, said the organization believes it still could serve, by providing emergency relief for tens of thousands of refugees in the West Nile region, and by seeking to protect the rights of persons detained by the government in recent anti-guerrilla sweeps.

The International Committee of the Red Cross was invited to Uganda in May, 1979, following the downfall of the dictator, Idi Amin, in April of that year. It initially distributed relief supplies to thousands of civilians fleeing fighting between Marshal Amin's forces and Ugandan rebels and troops from neighboring Tanzania.

### Moscow Denies Using Chemical Arms

**GENEVA** — New U.S. allegations of large-scale use of Soviet-made chemical weapons in Afghanistan and Southeast Asia were rejected by the Soviet Union Thursday as a "slander" campaign designed to help push U.S. plans for resumed production of these arms.

A U.S. State Department report presented this week at the 41-nation Geneva disarmament conference said the Soviet-supplied arms killed more than 10,000 people in Afghanistan, Laos and Cambodia.

Victor Israelyan, the chief Soviet delegate, said Thursday that the United States was resorting to "baseless slander" in order to "justify in the eyes of the public the latest twist in the arms spiral." He also said while Americans were shedding "crocodile tears" in making their allegations, they were passing over in silence their chemical warfare "crimes" in Vietnam.

### China Is Silent on Brezhnev Bid

**PEKING** — China remained silent Thursday on the Soviet Union's latest and highest level peace bid. President Leonid I. Brezhnev called Wednesday for new border talks.

The Chinese Foreign Ministry had no immediate comment. It was the Soviet Union's third call to renew talks on the border. Last held in June, 1978. The other two were in diplomatic notes, the last on Feb. 3. China has not replied to the last note.

Western diplomatic observers say the Soviet Union clearly is trying to take advantage of Chinese-American problems, particularly over Taiwan, and press its own case for better relations with China. Western and Eastern European diplomatic sources say China probably has delayed answering the last Soviet note because it does not want to appear to play off the Soviet Union against the United States.

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## Reagan Is Said to Sharply Reject Aide's Doubts on Economic Plan

By David S. Broder  
and Lou Cannon  
Washington Post Service

WASHINGTON — President Reagan reportedly has told Commerce Secretary Malcolm Baldrige in blunt terms that he intends to stick with his economic program despite business complaints that changes are necessary to lower the federal deficit.

According to a well-placed administration source, Mr. Baldrige said after a meeting with Mr. Reagan, "I broke my pick in the meeting."

Mr. Baldrige, while confirming that the meeting had taken place, refused Tuesday to characterize its tone or substance. Saying that he regarded his discussions with the president as confidential, he added: "I will neither confirm nor deny any reports about them."

White House aides said that news of the president's response to Mr. Baldrige at the March 11 luncheon had created what one of-

ficial called "a chilling effect" on attempts of other administration officials to convince the president that he should reduce military spending or postpone his tax cut to lower the deficit.

"There's no line outside the door of the Oval Office these days telling the president he ought to change his program," a White House aide said.

The luncheon was also attended by the White House chief of staff, James A. Baker 3d, who has frequently been identified as one of the administration officials who is convinced that the deficit must be lowered to encourage economic recovery.

This was reportedly the central point made by Mr. Baldrige, on the basis of several similar representations to him by leaders of the business community.

"He felt he had an obligation to tell [Mr. Reagan] what was really going on in the economy," an administration official said.

Another official expressed the view that Mr. Baldrige had been "used," although willingly, by White House officials who have tried without success to convince Mr. Reagan that some compromises must be made in his program to keep the deficit down. The compromise most frequently suggested is a postponement of the 10-percent tax cut scheduled for July, 1983. Mr. Reagan has said repeatedly that he will not postpone the 10-percent cut scheduled for July.

Mr. Baker reportedly was not discouraged by the cool reception Mr. Baldrige received, perhaps because he knows from his own experience how difficult it is to talk Mr. Reagan out of his economic program.

But it has heightened the concern of a number of major business organizations that an administration official said. "We're really worried about how you get through to this guy [the president]."



Malcolm Baldrige

Republican administration, who learned of the Baldrige incident from a Reagan insider, said, "If he won't listen to Mac Baldrige—a guy he likes—telling him what's really going on, I don't know who he is going to listen to. People are really worried about how you get through to this guy [the president]."

## Reagan Striving to Show He Cares for Poor

By Lou Cannon  
Washington Post Service

WASHINGTON — The White House is mounting a counteroffensive to dispel a growing impression that administration policies are unfair to poor Americans.

"It's an issue we're sensitive about politically," Michael K. Deaver, the White House deputy chief of staff, said Wednesday. "It shows up in the polls and it hurts the president personally because he's a very fair man."

President Reagan is responding to the "fairness" issue in every speech. His staff is actively seeking what an aide calls "people events," such as the president's appearance last week in flood-damaged Fort Wayne, Ind. Cabinet members have been instructed to depict administration economic programs as ultimately helpful to poor people.

"There is growth in programs that help people," said Craig L. Fuller, the White House director of Cabinet administration. "We're trying to get that message out to people who are speaking constantly."

The material given Cabinet secretaries and other administration spokesmen emphasizes that purchasing power for working people has increased because of a reduction in the rate of inflation.

While there is a frankly political thrust to the administration effort to dispel the belief that Reagan programs are unfair to lower-income Americans, White House officials said that the new "fairness" theme basically reflects the president's own sensitivity at being depicted as an uncaring man.

## Uncaring Image Hurts Him, Aide Says

In a speech Tuesday night in New York before the National Conference of Christians and Jews, Mr. Reagan freely acknowledged that these criticisms concerned him.

"Today I'm accused by some of trying to destroy government's commitment to compassion and to the needy," Mr. Reagan said. "Does that bother me? Yes."

The president compared himself with Franklin D. Roosevelt and said that his policies, like Roosevelt's, were designed to save the free enterprise system and help poor people.

Mr. Reagan defends his economic program as offering long-term help to working people and a way out of the recession he blames on his predecessors.

During his recent trip to Alabama, Tennessee and Oklahoma, Mr. Reagan described his tax reduction program as "the best darn thing that's been done for working and middle-income people in nearly 20 years" and stressed his "real compassion" for people who cannot help themselves.

Mr. Reagan's aides recognize that the president's contention that his program will help "average citizens" is being greeted with growing skepticism. Without disclosing the figures, aides said that the skepticism has been reflected in polls taken for the Republican National Committee.

With this in mind, Mr. Reagan's advisers have stressed proposals such as the minimum tax for corporations advocated by the president, which they hope will help counteract the idea that administration policies favor the rich.

"Personal Matter"

The President's Task Force on Private Sector Initiatives recommended Wednesday that corporations and individuals increase charitable giving to 5 percent of income. When a White House deputy press secretary, Larry Speakes, was asked if the president intended to do this, he replied: "That is a personal matter for him as it would be for you or me."

Mr. Reagan in nearly every speech stresses the importance of voluntarism and private charity as a means of filling the gap left by the reduction of government programs.

His political advisers are looking for events that would show Mr. Reagan mingling with people. On the president's recent southern swing his aides first considered an event with schoolchildren in Alabama and another in an Oklahoma oil field. They settled for Mr. Reagan's quick trip to Fort Wayne, where he briefly assisted volunteers who were stacking sandbags to hold back the floodwaters.

## Restitution Ruling In U.S. Gum Theft

The Associated Press  
GREENSBORO, N.C. — Two teen-agers from have been ordered to give a 12-year-old boy 10 times the amount of bubble gum that they stole from him last month.

Willie Foust, 16, and Kenneth Simpson, 18, of Gibsonville, were charged with common-law robbery for taking gum worth 6 cents from John Stallings on Feb. 19. The seriousness of the charge, which would have carried a maximum 10-year prison sentence, had generated controversy, particularly because the teen-agers are black and the boy is white.

In a hearing Wednesday, District Court Judge Edward Lowe put Mr. Simpson and Mr. Foust in a first-offenders program and ordered them to give the boy 60 cents worth of bubble gum.

## Cost of Halting Bureaucracy Put At \$85 Million

Washington Post Service

WASHINGTON — A House subcommittee estimates that President Reagan's decision to close down the government Nov. 23, rather than sign an emergency spending bill that was \$2.8 billion higher than he wanted, cost at least \$85 million.

The staff of the House Post Office and Civil Service subcommittee on civil service surveyed 65 agencies in a review of the shutdown week. They determined that 84 percent of 1.05 million federal workers were declared "nonessential." The study excluded the Defense Department, Postal Service and Tennessee Valley Authority.

Nonessential employees were sent home or were supposed to be doing only work related to shutting down the government. Since everyone got paid whether they worked or not, the staff calculated that 84 percent of the \$102 million payroll for the workers "must be considered direct shutdown costs."

"We believe the final cost will be even higher than \$85 million," said Andrew Feinstein, who compiled the report. The subcommittee is trying to determine how much it cost the government for "essential" workers to issue furlough notices and how much time was wasted starting up the government again.

## U.S. Official Sees No Fast Recovery From Atomic War

The Associated Press

WASHINGTON — A Reagan administration arms negotiator, Paul H. Nitze, says he does not agree with the reported statement of a Pentagon official that the United States could recover from an all-out nuclear attack in two to four years by matching the Soviet Union in civil defense.

"There are things that we can do in civil defense that will mitigate the effect of an atomic attack, but to say that we could recover in two to four years I believe is impossible," said Mr. Nitze, who has been serving under an interim appointment as chief U.S. negotiator in talks aimed at reducing nuclear missiles in Europe.

T.K. Jones, a deputy undersecretary of defense, was quoted in January as saying the United States could recover fully in that period with a Soviet-style civil defense system.

Sen. Charles H. Percy, Republican of Illinois, questioning Mr. Nitze Wednesday at a confirmation hearing before the Senate Foreign Relations Committee, quoted former Defense Secretary Robert S. McNamara as saying in a telegram, "I know of no form of civil defense that could permit the nation to 'recover' from such an attack." Mr. Nitze said he "would agree with the quote you read from McNamara."

## 5 Die in Mexico City Fire

United Press International

MEXICO CITY — A fire in a government-owned movie theater Wednesday killed three firemen and two civilians, and injured 51 other persons, officials said.

## Senate Sustains Reagan Veto of Bill On Executive Powers in Oil Crisis

By Robert D. Hershey Jr.

New York Times Service

WASHINGTON — The Senate has given President Reagan a hard-won victory, sustaining his veto of a bill that would have given him the power to allocate oil and control its price in any future supply emergency.

Mr. Reagan said he did not want this authority because the free market would work more effectively in a crisis than any government-directed system.

The vote Wednesday kills the legislation, which the Senate passed early this month by an 86-7 vote; the original vote in the House had been 246 to 144.

It is now likely Congressional aides said late Wednesday, that fresh efforts will be made to revive a compromise bill backed by Sen. Bill Bradley, Democrat of New

Jersey. This bill would allow prices to rise in an emergency, and the extra federal revenue from the so-called windfall profits tax on crude oil would be cycled back to consumers. Sen. Bradley was one of four Democrats who voted to sustain the veto.

The tally Wednesday was 58 votes for overriding the president's veto — his third since taking office — and 36 against. Sixty-three votes, or two-thirds of the members present and voting, were needed to override.

In a statement, Mr. Reagan noted that the country was increasing fuel production, expanding oil storage in the Strategic Petroleum Reserve and reducing its reliance on imports. "Those who voted to sustain this veto fully understood that greater energy independence is the best preparation America can make for the future," he asserted.

The administration devoted much attention to the issue, and the president telephoned 10 senators before the vote, a White House spokesman said.

The bill's main architect, Sen. James A. McClure of Idaho, said Wednesday that he regretted the vote. The Republican senator, chairman of the Senate Energy Committee, said Congress must act quickly now to extend a law that gives oil companies anti-inflation so that the United States could meet its obligations to share oil with other countries in a crisis.

## No Requirement for Controls

The bill that was vetoed, the Standby Petroleum Allocation Act of 1982, would not have required Mr. Reagan to impose price or allocation controls but would have given him the option to do so, subject to congressional approval.

The bill was considerably less sweeping than the one it was to replace, which expired Sept. 30. But it would have allowed the president to invoke the law to deal with shortages confined to small areas of the country or to specific products.

Nevertheless, the administration argued strenuously that Mr. Reagan already had sufficient authority under other laws.

In his veto message, Mr. Reagan indicated that the bill might have created a false sense of energy security. "This bill would discourage self-protective measures because it tells the public that those measures will be nullified by government allocations and controls or that such measures are unnecessary because the government will guarantee their low-priced energy in the event of any disruption," he said.

But Sen. McClure argued Wednesday that the free market could not always be relied upon. He said that in 1979, many farmers, truckers and fishermen were severely affected by an inability to obtain diesel fuel, which, unlike most products, was not under control.

Farmers, independent refiners and oil distributors were among the groups that supported the new bill most strongly. Additional support came from other parts of the oil industry that, while opposed to controls in principle, decided that a federal plan was preferable to plans that might have been imposed by individual states.

## 'Test-Tube' Twins Are Born

The Associated Press

OAKVILLE, Ontario — A 35-year-old school teacher gave birth Thursday to twin boys conceived by test-tube fertilization, the first such multiple birth in North America, Trafalgar Memorial Hospital announced.

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## Atoms for Peace or War?

The Reagan administration is seriously considering a plan to "mine" the used fuel from commercial nuclear reactors for its accumulated plutonium. After separation and purification into its different forms, the plutonium would be used in nuclear warheads. This is a dangerous idea, and Congress should place it off-limits.

The impetus for the suggestion is a projected shortage of weapons fuel starting near the end of this decade. The numbers are classified, but plans for new weapons systems and for replacing old uranium weapons with new and lighter plutonium warheads could require the production of about 17,000 new warheads before 1990. Increasing the capacity of existing plutonium production facilities might still not meet the projected need. So planners are eyeing the 70,000 kilograms of plutonium contained in the used reactor fuel that is sitting around the country.

From the government's point of view, the plan has several attractions. It would solve the projected plutonium shortage, and possibly at less cost than building new production facilities. It could provide the crucial boost to the administration's fading hopes of getting a commercial reprocessing industry off the ground. And it would be at least a partial answer to the seemingly unsolvable problem of how to dispose of spent reactor fuel.

But turning used reactor fuel into bombs would also be doing just what the United States has for years argued must not be done. It would erase the distinction — upon which

the international trade in "peaceful" nuclear technologies is premised — between atoms for peace and atoms for war: that is, that there is one set of materials and technologies needed for nuclear power production and a different set for weapons production.

Technically, the distinction is a false one. Reprocessing, once considered essential to the civilian fuel cycle, produces plutonium, and reactor-grade plutonium — while not the best for the purpose — makes a perfectly satisfactory bang. But symbolically and politically, the distinction is the foundation of the international non-proliferation regime — from its beginnings in the Atoms for Peace program to the Non-Proliferation Treaty and the safeguards and inspections of the International Atomic Energy Agency.

Looking back, one can wish that it had happened differently, that the large overlap between nuclear energy and nuclear weapons technology had been recognized from the beginning and built into the arrangements worked out for international nuclear trade. It may be possible in the future — perhaps after the world has had a bad nuclear scare — to overhaul the non-proliferation regime. But right now the existing system is all there is. The very last thing in America's security interest would be to take a step that could easily destroy what remains of that system's effectiveness and at the same time cripple America's capacity for leadership in the continuing effort to slow nuclear proliferation.

THE WASHINGTON POST.

## Pertini in Washington

Sandro Pertini, the president of Italy, who met Thursday with President Reagan, is no household word in America. But he is no footnote figure. Few other Italian leaders have broken so many rules, received so many votes, shaken so many hands or done so much to demonstrate that parliamentarians are not necessarily boring.

A lifelong Socialist, Mr. Pertini endured jail and exile under Mussolini. A proud outsider, he refuses to live in the presidential palace. A virtuous politician, he was the first Italian president in 30 years to reach outside the Christian Democratic Party to name a centrist Republican as premier.

He thus gave new life to the movement to broaden Italy's ruling circle, without yielding power to the Communists. The United States has an important interest in that. Without a

strong Italian center, there would be zero weight to Mr. Reagan's "zero option" offer to Moscow on theater nuclear weapons. The present government, at some political risk, agreed to accept its share of Cruise missiles to facilitate West Germany's ascent. It was equally difficult politically for Italy to join the international Sinai peacekeeping force.

President Pertini has thus stretched the powers of a titular office. Furthermore, at 85 he shames the young with his anger at oppression. Addressing outrages in Argentina recently, he insisted that "anyone who does not protest against these dictatorships ... does not have the right to protest against what is happening in Poland." A warm and vigorous man, President Pertini is a welcome visitor. We are lucky to meet him.

THE NEW YORK TIMES.

## Uncertainty in Guatemala

At least half of what happened Tuesday in Guatemala was welcome. Military officers conducted a coup and ousted President Romeo Lucas Garcia. Some of the U.S. officials who know the general best characterize Guatemala under his rule as a "bucket of blood," and him as "a brute." With him apparently goes his former defense minister, Angel Anibal Guevara, the president-elect whose first act after the elections of March 7 was to see to the detention of the three people who had run against him and had protested that his victory was obtained by fraud.

The reason why any relief at the departure of the old gang must be half-hearted is that it is not yet clear who the new fellows are. Conceivably, they represent a decent, reform-minded element among the military who were appalled at the way the Neanderthals had been losing the war against the guerrillas, running the economy into the ground

and establishing Guatemala as a pariah among nations on the human rights front. Or they may have in mind simply making a show of change in order to give Washington a basis for resuming military aid.

There is a broader issue. In El Salvador, the United States is conducting an experiment whose results are far from being in. The Reagan administration, following in the footsteps of its predecessor, is trying to see whether a reformist center can be made to hold against the depredations of feudal elements on the right and guerrillas on the left. As uncertain as the prospects are in El Salvador, the prospects in Guatemala are bound to be even more uncertain. That means there must be an awfully clear demonstration that the right people have the upper hand as a result of the latest coup, in order for U.S. aid to be turned back on.

THE WASHINGTON POST.

## Food Aid for Americans

It has been 15 years since the Field Foundation sent pediatricians to study hunger in the South of the United States, and thus spurred enactment of a universal food stamp program. A follow-up team two years ago found that, although poverty lingers on, malnutrition was markedly reduced.

The Reagan administration seems unimpressed by that progress. Last year it persuaded Congress to toss \$75,000 households off the rolls and to reduce payments to 1.4 million others. This year it would cut out 19 percent more. The Agriculture Department concedes that the changes would reduce help to almost 70 percent of all food stamp house-

holds and eliminate 16 percent. The effect on older people would be especially harsh. A fourth of all elderly recipients would be eliminated or find their benefits so sharply reduced that they are likely to drop out.

Although the president continues to tell anecdotes about food stamp cheats, Congress has in fact moved against many of those who do not need help. The cost of the program has increased mainly because of higher food prices and unemployment. Congress may not know how to end poverty, but it does know how to reduce hunger. If the pangs return, the people will know whom to blame.

THE NEW YORK TIMES.

## Other Opinion

### Chemical and Biological Warfare

The State Department's workmanlike compilation of the evidence of chemical and biological warfare in Southeast Asia was delivered Monday and received by the press without the withering skepticism that has recently stifled debate. The report adds a mass of detail on Soviet complicity in chemical and biological attacks. It provides numerous dates

and locations of Soviet military inspections of chemical arsenals in Laos and the training of Vietnamese and Laotian troops in chemical warfare. The report ... leaves room for only one conclusion: The Soviet Union is actively engaged in chemical and biological warfare in Southeast Asia and Afghanistan. It's time to turn attention to the question: What do we do about this?

— From The Wall Street Journal.

## March 26: From Our Pages of 75 and 50 Years Ago

### 1907: Central American Talks

MANAGUA — Cholotea, the most strongly fortified town of Honduras, has been captured, and President Manuel Bonilla has fled. The Central American war is practically over. Negotiations for peace in Central America are being carried on with great earnestness in Washington. Señor Creel, the Mexican ambassador, and Señor Corea, the Nicaraguan minister, have discussed the situation with Secretary of State Elihu Root. Nicaragua is unwilling to make overtures for peace, lest President Zelaya be thought to stand in fear of El Salvador, the avowed ally of Honduras, and of Guatemala, which is supposed to be ready to assist Honduras.

### 1932: House Rejects Beer, Tax

WASHINGTON — By a vote of 216 to 132, the House of Representatives has rejected the Cullen amendment to the sales tax bill under which 2.75 percent beer would have been legalized and taxed at 3 cents a pint to bring in — according to supporters of the measure — about \$500 million annually. Although a bitter wet-dry debate preceded the vote, it was taken without a roll-call. President Hoover issued a statement in which he called upon the nation for united action in making sufficient sacrifices to permit the balancing of the budget and declared that he is confident the "undertaking by representatives of both parties to balance the budget will be fulfilled."



Critical Mass

## The Food Outlook Is Bad in Africa, Worrying Elsewhere

By Flora Lewis

BELLAGIO, Italy — A new series of studies sounds more alarm bells about world food supplies. Their main point is that even meeting the current standards of the three-quarters of a billion people now underfed, let alone improving their lot, cannot be assured just with money, good will and current development methods. It is literally a matter of trial and error, and a World Food Council report on Africa reveals a staggering amount of error beneath its cautiously polite words.

Not only has food production per mouth declined in a period when Africa's population growth is the highest any continent has ever known; but also, actual output is falling short of demand. "The outlook is grim," said the United Nations-sponsored council, and represents "a failure of the international system as a whole."

The independent Worldwatch Institute in Washington has come to the same conclusions on a larger scale. It finds that the world's self-renewing resources are being consumed, with the effect of "biological deficit financing" as land, forests and fisheries are destroyed.

The value of these reports is not only as scare signals to ears already deafened to repeated cries of wolf and positively blocked by world recession and the temporary oil glut. It is the indication that a lot has been learned in a generation of development efforts, and the reminder that theories and projects still have to be checked against results if they are not to prove counterproductive.

The World Food Council is one of the rare UN agencies that dares to look at its own records and admit mistakes. It had already come to the conclusion that direct food aid, while essential in emergencies, must not become a habit, because it makes countries dependent on imports when they should be increasing production.

Partly this is because most countries do not have the people to handle the aid, and the international agencies are not doing enough to train them. Partly it is because the donors are uncoordinated, often rivals, failing to see how their fit bits into the picture. New projects are launched at great expense while completed ones run down for lack of supervision.

Upper Volta, a country of 6.6 million, received 340 foreign aid missions last year, almost one a day. Some 40 governments provide aid to Africa, directly and through international agencies, and there are a lot more independent charities and commercial outfits involved with development.

AID, the official U.S. channel, has 570 projects in Africa, but only 22 (7 percent of total cost) are directly aimed at food production.

Burma, studied as a contrasting example, is suddenly making real progress after almost a generation of stagnation in a repressive attempt to create an isolated "Asian Socialism." Burma still rejects foreign investment, but in the last five years it has accepted public loans and advice on the Green Revolution, which it has applied with its "self-help" principles. There is a real turnaround.

Though the formal report lacks the candor to say so, the international studies show the opposite trend in African countries still on the Socialist path. Madagascar is a prime example. It was in relatively good shape a decade ago, but has sunk to the disaster level.

The lesson is that there is no substitute for encouraging farmers to grow food and sell it. That requires conscious government policy. And that requires administrative structure and grass-roots agricultural services that most young countries cannot create. So that requires foreign donors to reach a clear, coordinated focus on where their money and techniques should be applied.

Africa is the "critically urgent" area, as the council's report notes. But worldwide deterioration of land resources is also serious. "Each year the land in forest shrinks by an area the size of Hungary," the Worldwatch study said.

The good news is that after a lot of fancy fiddling with notions about the world "economic order," the experts are coming back to basics. With a lot more people in the world, no other problem can be solved until they grow a lot more food. Those who know how can best help by enabling them to help themselves.

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## EEC Food vs. the Third World?

By Jonathan Power

LONDON — A few days before this week's 25th anniversary of the European Economic Community, the Overseas Development Institute in London published a report last week bearing out current criticism — by Italy's Radical Party, in particular — that EEC agricultural policies exacerbate hunger in the Third World.

The report, by a group of distinguished European academics, puts together a case arguing that the EEC's agricultural and industrial policies, as well as its trade regime, "are having far more detrimental effects on Third World countries than the benefits of its aid policy can outweigh."

The animal to be watched, they argue, is the EEC's common agricultural policy. Its principal shortcoming is widely seen to be excessive support prices and a propensity to create food mountains.

Talks on reforms are under way, but some of these could have the effect of pushing up the cost of food imports significantly for the

hard-pressed developing countries. In addition, the common agricultural policy will soon have to be recast to allow for the anticipated entry of Spain and Portugal. North African Mediterranean countries, which have in recent years begun to penetrate the European market, will find themselves closed out, as Spain's olive oil, vegetables and fruit get preference over theirs.

If the history of sugar is a yardstick, then the future of the North Africans is bleak. Sugar is an interesting case study of a product that can be grown equally well in Europe (as beet) and in the tropics (as cane). Cane production in most cases is not only highly competitive with beet, but for many countries is the only cash crop that can survive hurricanes.

"Cynicism" Food aid is a palliative, and often a counterproductive one, if it takes the place of sound agricultural improvement policies. African food production has been deteriorating for a decade now.

One would assume, judging from frequent summit communiqués, that the EEC's rural aid programs would be sharply focused on trying to remedy this. On the contrary, the ODI report shows, the aid policy is helping cash crops, not food crops, and commitments to rural production have fallen in the last decade. One of the principal pieces of evidence, a study of 10 international rural development projects, showed that only one had the central aim of increasing food production.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

## Letters

### Renewing the Soil

Once or twice a year you raise your editorial voice in the wilderness warning us about the serious consequences of the depletion of arable land in America (HIT, Feb. 24, "Fifteen Tons Every Second"). While the editorial states that a number of known techniques are available to stop soil erosion, it fails to mention one approach that could contribute to reverse the trend: composting urban and rural wastes instead of dumping them into pollutant landfills or burning them in pollutant incinerators.

Many suitable techniques are known and proven. The problem is that the U.S. federal system leaves waste disposal in the competence of municipal entities, which makes planning on a countrywide basis impossible. Being, say, a resident of Chicago, I would object to improving the badlands of South Dakota, were this to be achieved through an increase in my taxes.

The Netherlands, where government structure is centralized, has been able to reclaim millions of acres of arable land from the sea, using compost derived from refuse of the city of Amsterdam.

Were America to compost only half its waste materials, it could each year increase topsoil by one inch on 5 million acres of land, at a cost that would not exceed a fraction of the land values. Such a program would permit to more than match the loss of an inch of topsoil every 30 years.

Dr. STEPHEN VARRO, Jr., Paris.

### A Peacemaker

Who says Ronald Reagan knows nothing of foreign policy? He is the only American president who has been able to heal the Sino-Soviet rift.

DARRIL HUDSON, Heidelberg, West Germany

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## Deforestation Problem In Southeast Asia Seems Critical, Specialists Say

By Bob Secor

Los Angeles Times Service

BANGKOK — Thousands of times each day, government inspectors stop trucks at roadblocks throughout rural Thailand and search for contraband cargo — not guns or drugs, but wood.

The tree is one of the most endangered species in Thailand, which used to be blanketed by lush hardwood forests and was one of the world's major teak producers. Today, the export of teak logs has been banned and much of the forest has been turned into ugly stumps.

"I look at what's happened and I am sick," Pong Seng, director-general of the Royal Forestry Department, said recently.

### Forest Area Down by Half

Thailand's forest cover has shrunk by almost half in two decades, according to government statistics. They showed more than 55 percent of the nation's forest in 1961 but only 28 percent last year. Unofficially, some experts say that the percentage of forest land is much lower.

Deforestation is not unique to Thailand. Burgeoning populations, antiquated farming techniques and the booming world demand for lumber and wood products have contributed to the rapid disappearance of forests throughout Southeast Asia.

In a recent report on the problem in South Asia, Southeast Asia and the Pacific islands, United Nations investigators concluded that forests in the region were disappearing at the rate of 12,500 acres (5,060 hectares) a day, or 4.5 million acres a year.

If this trend continues to the year 2000, about 90 million acres of closed forest area — 23 percent of the total — will have been converted to nonforestry use, according to the joint study by the UN Food and Agriculture Organization and the UN Environmental Program.

The report said Indonesia, the world's largest producer of tropical hardwood, loses more than 1.2 million acres of wooded land a year. But the problem is more acute in Thailand, where more than 800,000 acres of forest are cut down every year in a country one-quarter Indonesia's size.

In the last few decades, Southeast Asia has emerged as one of the primary suppliers of wood to the industrial world, especially Japan, South Korea and the United States.

In Indonesia, log exports grew from only 4 million cubic feet in 1961 to 870 million cubic feet in 1979. The boom has meant big money for the area's major exporters — Indonesia, Malaysia and the Philippines — which three years ago reported earnings from log exports of \$2.3 billion.

### Different Techniques

It also has meant problems. Forestry experts contend that logging companies in the developing world do not practice the same conservation techniques that they do in the West.

"In the West, regulations say trees must be lifted out of the area by helicopter when they're cut," said Donatus Desives, an official of the UN Environmental Program. "Here, they allow huge trees to fall over, and they take 10 or 12 other trees with them."

The widespread loss of forest land has also been blamed for altering weather patterns, killing wildlife and causing ecological disasters.

In Thailand, for example, a flood that killed 42 persons in 1979 has been blamed on the destruction of forests that had prevented erosion and runoff, according to the UN study.



An American ranger at a reforestation project of pine trees in Indonesia.

And wild elephants will be gone from Thailand in 30 to 40 years unless something is done to protect their forest habitat, the nation's best-known conservationist, Boonsong Lekagul, said recently.

The UN study forecasts that the rate of forest loss in Thailand will level off, simply because the country is running out of trees. Log exports in the Philippines already have dropped dramatically.

Thailand, once a major exporter of raw wood, is now an importer. By one estimate, wood imports are costing the country \$44 million a year in foreign exchange.

Conservation efforts have been haphazard and futile. The fine for illegally cutting teak trees averages \$175, far below the value of the wood. In late February, a crackdown on illegal logging in southern Thailand implicated a senior police official and an influential political leader.

An export loophole also has hurt. Teak logs cannot legally be shipped from the country, but finished teakwood products can. Industry analysts say that loggers, financed largely from Europe, cut teak trees and shape the wood into crude furniture, which they legally ship abroad to be finished.

Another major cause of deforestation is an ancient farming technique practiced by hill tribes, who cut down and burn off natural vegetation so they can farm the cleared land. In the northern part of the country, where most of the teak forests and hill tribes are, 70 percent of the forests are lost, according to the UN study.

Mr. Pong of the Thai forestry service said he has begun urging government leaders to lease some forests to private forestry companies, which, in theory, would have a stake in ensuring a constant source of wood.

The companies could introduce fast-growing species such as eucalyptus, which develops to cutting size in only five or six years, he said.

## 9 Charged With Abortions Acquitted by Spanish Court

The Associated Press

BILBAO, Spain — A provincial court Thursday acquitted nine women charged with having illegal abortions, setting a legal precedent in this Roman Catholic country. A tenth defendant described as the abortionist, Julia Garcia, was convicted but given a suspended sentence of 12 and a half years.

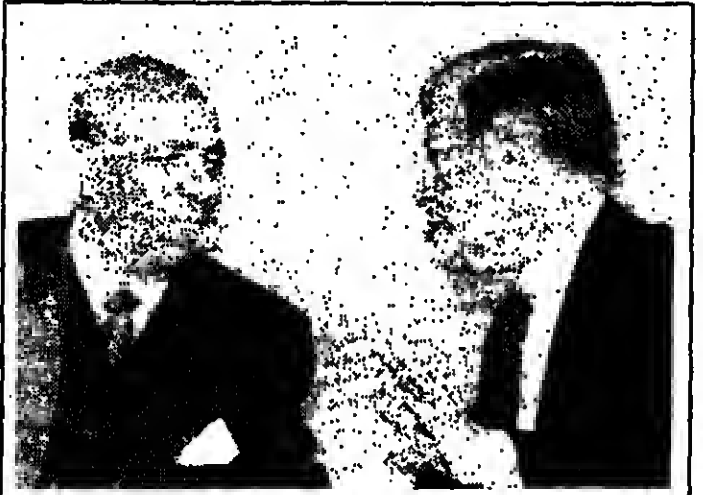
About 500 women demonstrated outside the courtroom as the defendants were tried for offenses allegedly committed between 1968 and 1976. The case was postponed twice before it came to trial last week because some of the defendants failed to appear in court.

The prosecution had demanded a 60-year jail sentence for Mrs. Garcia and 55 years for her daughter, who was accused of helping perform the abortions. It asked the court to impose six-month sentences on each of the other defendants, most of them the wives of workers in Basauri, an industrial suburb of this northern Basque city.

The court said that five defendants were acquitted for lack of evidence. Four others were spared conviction because "they acted in the belief that abortion was the least offense under the circumstances at the time."

Defense attorneys had argued that their clients had aborted their pregnancies because of economic hardship and because contraceptive devices were then illegal in Spain. Contraceptives were outlawed in Spain until 1978, when they were made available by prescription only.

Three years ago, about 1,300 Spanish women, including actresses, singers and intellectuals, signed a petition supporting the women who were acquitted Thursday. They said that they also had undergone abortions at one time or another. No legal action was taken against any of them.



SEEKING AID IN BONN — Somali President Mohammed Siad Barre talks with West German Chancellor Helmut Schmidt. The meeting covered aid requests because of drought and a territorial dispute with Ethiopia.

## Marietta Shaginyan, 93, Dies; Novelist of the Stalinist Era

From Agency Dispatches

MOSCOW — Marietta Shaginyan, 93, a Soviet historical novelist of the Stalinist era, has died, according to an obituary signed Wednesday by high officials, including President Leonid I. Brezhnev.

Her major work in the eyes of Soviet critics was "Hydrocentral," a novel published in 1931, which the Great Soviet Encyclopedia called "one of the best forms of the industrial novel."

The novel described the construction of Stalin's first five-year plan, based on the author's experiences at a hydroelectric station in Armenia.

She was awarded the Stalin Prize for literature in 1951 and the Order of Lenin in 1967, among other honors.

According to the Soviet encyclopedia Miss Shaginyan "was in a friendly relationship" with the composer Sergei Rachmaninoff from 1912 until 1917, when he left the country.

Dr. Benjamin F. Feingold SAN FRANCISCO (AP) — Dr. Benjamin Franklin Feingold, 81, an allergist and pediatrician who believed an allergic reaction to food additives made some children hyperactive, died Tuesday of a heart attack while being treated for cancer.

William (Sonny) Greer NEW YORK (AP) — William (Sonny) Greer, 78, a drummer for Duke Ellington for 30 years until 1951, died Tuesday while under treatment for cancer of the esophagus.

Henry Sears BALTIMORE (NYT) — Henry Sears, 69, a real-estate investment executive and former commodore of the New York Yacht Club, died Tuesday of cancer. In 1958, Mr.

## Commission Disagrees on Whaling Ban

United Press International

BRIGHTON, England — The 36-nation International Whaling Commission abandoned efforts Thursday to agree on a ban on all commercial killing of sperm whales and deferred action until the next session in July.

It did so after disagreement between Japan and conservationist nations led by the United States and Britain over killing of sperm whales off the coast of Japan.

A special session, convened to discuss the sperm whale issue, ended in deadlock after less than 24 hours. At its regular annual meeting last July the commission outlawed killing of sperm whales in the Southern Hemisphere and North Atlantic — that is, in most of the world's oceans where sperm whales still are found.

But Japan, the last nation to carry on large-scale commercial whaling, rejected an immediate ban on killing sperm whales in areas of the western Pacific 200 miles (320 kilometers) off its coast. The latest deadlock means there will be no change in the annual killing quota in the area, set at the July meeting of 890 sperm whales.

Japan has threatened to ignore any ban on killing sperm whales and to pull out of the commission.

## Schmidt Asserts Anti-U.S. Views Have Hurt Party

United Press International

BONN — Chancellor Helmut Schmidt has strongly criticized the left wing of his Social Democratic Party, saying its anti-Americanism contributed to the party's defeat in the election Sunday in Lower Saxony.

Mr. Schmidt's analysis of the election was made to Social Democratic members of parliament Tuesday and released by the party Thursday.

Mr. Schmidt also said the party had lost votes because of policies designed to attract dissidents and young radicals to the party, a policy favored by former Chancellor Willy Brandt, the party chairman.

Mr. Schmidt listed anti-Americanism as one of the three main reasons for the bad image he said was driving voters away from the party. He said the others were the opposition of the peace movement in the party to accepting U.S. medium-range missiles on West German soil.

"The Germans want the Americans as friends and partners," Mr. Schmidt said. "They find some things are not good in America. But they consider it right and necessary to have Americans as friends and they do not want Bonn to follow a policy that desires to remain at an equal distance from Moscow and Washington."

Minneapolis Papers Merging MINNEAPOLIS — The Minneapolis Star and the Minneapolis Tribune will merge April 5, creating an all-day newspaper with primary emphasis on morning delivery.

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## U.S. Scientist Asserts Ozone Loss Increases

By Lee Dembart

Los Angeles Times Service

LOS ANGELES — The amount of potentially hazardous fluorocarbons in the upper atmosphere has tripled in the last 10 years despite efforts to limit their use, according to an atmospheric chemist at the University of California, who first warned of the danger in 1974.

The Chemical Manufacturers Association, an industry group, estimates that upper atmosphere fluorocarbons have decreased, based on declining world production. But data collected since 1976 at stations in Oregon, the south pole and elsewhere contradict that assertion.

If the theory is correct that fluorocarbons in the stratosphere reduce the amount of ozone there and permit more ultraviolet light to reach the Earth's surface, the new measurements mean there could be an increase in skin cancer among humans.

"It is a world problem that can't be solved by anything the United States can do alone," said F. Sherwood Rowland, professor of chemistry at the University of California's Irvine campus and author of a paper on the new findings that will appear in the April issue of Geophysical Research Letters.

"We don't see any sign that fluorocarbon 12 has been showing the decrease that has been stated to have occurred," he said. Fluorocarbon 12 is the most common fluorocarbon.

"The concentration of fluorocarbon 12 is going up steadily in the atmosphere. From the beginning of 1970 to the beginning of 1980, it just about tripled," he said.

Numbers Questioned But Joseph M. Stead, a senior research scientist at Du Pont and chairman of the Chemical Manufacturers Association's Fluorocarbon Program Panel, said, "I certainly question these numbers."

He said the association's data were compiled yearly by an independent accountant, Alexander Grant Co., from reports submitted by 19 manufacturers of fluorocarbons in non-Communist nations.

Mr. Rowland's data are based on measurements made by him and by M.A.K. Khalil and Reinhold Rasmussen of the Oregon Graduate Center.

Mr. Stead said these researchers made only one measurement a year and "some days have higher levels than other days."

Use in Sprays Banned Mr. Rowland, along with Mario J. Molina of Irvine, first argued eight years ago about the dangers of fluorocarbons. They were then used as the chief propellant in aerosol sprays but, after the theory was advanced, the United States,

Canada, Sweden, Norway and Denmark banned their use in aerosol sprays. But Western Europe and Japan have not done so. "The use of aerosols in Europe and Japan has increased," Mr. Rowland said.

In addition, it continues to be used as a refrigerant in cooling systems, where much of it is hermetically sealed but some leaks into the atmosphere. Automobile air conditioners contain fluorocarbons that are not hermetically sealed.

Mr. Rowland said that, as his theory predicts, "Ozone depletion in the upper atmosphere is quite substantial." He cited a report by a scientist from the National Aeronautics and Space Administration last summer that average ozone concentrations 25 miles (40 kilometers) high in the atmosphere were 5 percent lower in 1978 than they had been in 1971.

Mr. Stead noted in response that NASA had called that finding "preliminary and tentative," and he said that other measurements had found no decrease in ozone.

## French Opposition Retains Most of Provincial Chiefs

The Associated Press

PARIS — Conservative opposition forces have retained a majority of the 95 provincial government council presidencies in voting Wednesday, as had been expected after two rounds of nationwide elections.

French voters elected representatives to the councils in local elections the last two Sundays that produced a setback for the 10-month-old leftist government of President Francois Mitterrand.

The representatives, in turn, voted Wednesday for council presidents, who become the main administrators of the regions under a decentralization program of Mr. Mitterrand's Socialist administration.

Conservative forces won 57 of the 95 presidencies, a gain of six from the last such elections three years ago. The left won 36 presidencies Wednesday, a decline of eight since 1979. Two remaining presidencies are to be decided Saturday.

For the right, the Union for French Democracy, of former conservative President Valéry Giscard d'Estaing, won the most presidencies with 32. The Rally for the Republic, of Paris Mayor Jacques Chirac, took 16 presidencies, while nine offices were won by other rightist candidates.

The Socialists won 27 presidencies and the Communists three while other leftist candidates took six of the offices.

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## CIA Accused of Having Helped Plan Illegal Arms Shipment to S. Africa

By Charles Mohr  
New York Times Service

WASHINGTON — The staff of a House subcommittee has asserted in a report that an individual working under the supervision of a CIA officer had helped plan an illegal shipment of arms to South Africa between 1976 and 1978.

The 46-page report by the staff of the subcommittee on Africa of the House Foreign Affairs Committee recommended Wednesday several measures aimed at improving and tightening enforcement of a policy adopted in 1963 that for-

bids the export of lethal military equipment to the white-minority government of South Africa.

The report also recommended that the Select Intelligence Committees of the House and the Senate investigate "the possible roles of employees, agents and contacts of the CIA in efforts to evade the U.S. embargo against South Africa during the Angolan civil war of 1975-76" and in the development of contacts between the South African government and a defunct American corporation that supplied the shells and artillery.

The subcommittee said it would hold hearings on the effectiveness of the South African arms embargo Tuesday and that it had invited officials of the State Department to testify.

A spokesman for the State Department had no comment Wednesday.

The subcommittee report quoted the CIA as having told the congressional investigators that the agency "did not directly or indirectly give, sell, or otherwise transfer to the Republic of South Africa any such equipment, did not en-

courage or facilitate others to do so and did not have any advance knowledge of such matters."

However, the report said the office of the general counsel of the CIA "acknowledged" that the intelligence agency has not made a "complete investigation."

The report said that John J. Frost, a "defense consultant" with offices in Belgium and the United States, had said the CIA enlisted him to try to procure surplus U.S. weapons in Thailand and Taiwan in 1975 to be forwarded to non-Communist forces in Angola, which the United States covertly assisted until forced to desist by congressional legislation.

### Best Source

The report added that Mr. Frost, who was working with a CIA official now stationed abroad, "strongly recommended" to officials of the South African government arms procurement agency that the Space Research Corp. of North Troy, N.Y., would be best source for 155mm artillery weapons and ammunition sought by the South Africans for their own armed forces, which had penetrated deep into Angola.

The CIA officer was not identified in Wednesday's congressional report but was given false initials of "A.B."

The case investigated over a two-year period by the subcommittee staff involved the sale and shipment to South Africa by Space Research Corp. of approximately 60,000 155mm extended-range artillery shells, and at least four 155mm guns, including three advanced prototypes and what the subcommittee asserts was technology and technical assistance that permitted South Africa to establish its own facilities for manufacturing and testing such equipment.

Two officers of the Space Research Corp., which has since gone out of business, pleaded guilty to a single count of illegally exporting such equipment and served prison terms of four and four and a half months.

### West German Sentenced in East Berlin as Spy

The Associated Press

BERLIN — An East Berlin military court has sentenced a West German to life imprisonment for spying on East German military locations, the news agency ADN said.

The man, identified as Rüdiger Noll of Hamburg, was accused of working for the West German military espionage service, the East German news agency said Wednesday. It said Mr. Noll, who worked in Hamburg city government, had arranged more than 140 meetings with spies in East Germany since 1974.



FUEL STOP — Recent Swiss Air Force war games used the highway from Bern to Thun as a runway and a gasoline station as a hangar for planes such as this Northrop F-5 Tiger jet.

## S. Africa Conscription Broadened

By Joseph Lelyveld  
New York Times Service

JOHANNESBURG — Anticipating the threat of guerrilla war, South Africa has announced a revision of its military service requirements that will make all white males up to the age of 60 liable for training and service in home guard units established throughout the country, especially in areas close to borders with black states.

In a statement released Wednesday as new legislation was presented to Parliament to amend the existing conscription law, the defense minister, Gen. Magnus Malan, foresaw the day when a majority of white South African males between the ages of 17 and 60 would have an active role in the extensive military network now being set up. Even after age 60, Gen. Malan said, they would be held in reserve status until 65.

South Africa presently requires all white men to do two years of full-time active duty in the Defense Forces followed by regular call-ups to active duty over the subsequent eight years. The proposed legislation would extend to 12 years the period in which a soldier is liable to such call-ups.

This amounts to a tripling of the active-duty requirement, since a member of what is known as the Citizen Force could be required to serve 720 days in that period, compared to 240 days under the existing system. At the end of the 12 years, the Citizen Force member would then be liable to be called up as a reservist or assigned to the local guard units, known here as commandos.

### Commando Role

The commando units, which are broadly analogous to the National Guard in the United States, have been seriously undermined and relatively slack in discipline. In the new military structure, these units are expected to play a vital role defending rural areas and installations, such as rail and power lines,

that might be vulnerable to sabotage.

South Africa is believed to have the ability to mobilize a force of 400,000 men. The new system could involve 800,000 men in a white population of 4.5 million who have never served in the armed forces.

Correspondents who were briefed by the Defense Ministry on the new system also reported that the estimate of manpower requirements included plans for an increase in the South African presence in the disputed territory of South-West Africa, also called Namibia.

The proposals immediately drew a worried response from business

and industrial circles, where the chronic complaint is of a shortage in skilled white labor.

A spokesman for an Afrikaner business group called on the government to accelerate military training for blacks and other nonwhites in order to ease the burden on whites.

The security threat now faced by the government comes mainly from small sabotage squads of the underground African National Congress. These relatively ineffective attacks have given rise to warnings of an impending "onslaught," a term ascribed to the Soviet Union, on the theory that the underground movement is a "proxy force" of Moscow.

## French Team Bound for North Pole Turns Back Amid Hints of a Quarrel

The Associated Press

SCORESBYSUND, Greenland — A plan for a motorized French expedition to travel more than 1,100 miles (1,760 kilometers) across the Greenland ice cap and plant the tricolor on the North Pole has ended in failure, officials here reported.

The expedition leader, Christian Gallissian, and his seven men set out Saturday but returned to Scoresbysund in eastern Greenland just two days later in a heavy blizzard and gale and were preparing to go back to France on the first available flight by way of Iceland, officials said.

Other officials said the expedition did not so much as get its three tracked vehicles and one motorcycle on the ice before "it all ended in disagreement and quarrels."

Mr. Gallissian could not be reached in Scoresbysund, an isolated community where telephones are few. But the duty officer of the telecommunication station, who has been the Frenchman's most frequent contact, said, "They gave it up after only one day and came back, giving vague and confusing explanations. They told me, however, that they will come back next year and make a new try."

Greenlanders resented the project because aircraft and other facilities needed in normal and emergency conditions would have to be used to rescue the French if they got into trouble.

U.S. Cancels Air Shows On Its W. German Bases

United Press International

RAMSTEIN AIR BASE, West Germany — The U.S. Air Force has canceled all air shows and open houses in West Germany this year, following 14 terrorist attacks on U.S. installations in West Germany in the last 14 months, a spokesman said Thursday.

The Air Force began requiring full identification checks at the gates of its U.S. bases Sept. 1, one day after a bomb exploded in a parked car at Ramstein, injuring 15 persons.

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## 4 Bulgarian Aides Are Sentenced for Embezzlement

The Associated Press

BEGRAD — Four Bulgarian officials sentenced earlier this week to stiff prison terms had embezzled large amounts of state money, the Yugoslav news agency reported Thursday from Sofia.

Those sentenced included Zhivko Popov, Bulgaria's ambassador to Czechoslovakia until his arrest. Mr. Popov, the highest-ranking official involved, was sentenced to 20 years in prison, and the other three officials received terms ranging from 10 to 18 years.

The news agency said the four apparently embezzled large amounts of state money, possibly in connection with last year's celebrations of the 1,300th anniversary of Bulgaria. They were also believed to have dealt illegally in medieval icons and gold objects, the report said. No figures were given.

The agency said some observers were attaching political factors to the trial. It quoted unidentified sources as saying that Ivan Slavkov, the director-general of Bulgarian television, was recently fired. He had been married to Ludmila Zhivkova, the late daughter of party leader Todor Zhivkov.

A Bulgarian television editor, Janco Takov, had been sentenced to prison earlier on corruption charges, but his sentencing was not officially reported, the news agency said.

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ARTS/LEISURE

Sir William Walton at 80: Just About Ripe for Damnation

By Merida Welles  
International Herald Tribune

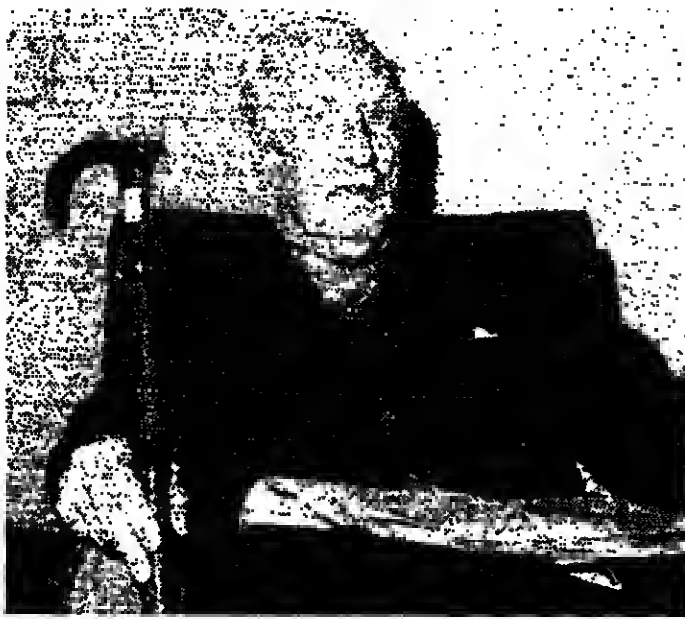
LONDON — Forty-three years ago, William Walton, the English composer, told a reporter: "I seriously advise all sensitive composers to die at the age of 37. I've gone through the first halcyon period, and am just about ripe for my critical damnation."

Perhaps it is this rhythm of damnation and accolade that will carry Sir William, lean and lucid, to his 80th birthday on Monday. The composer, who was knighted in 1951 and awarded the order of merit in 1967, is being celebrated with two exhibitions on his life and work, a weeklong BBC radio series and major concerts on both sides of the Atlantic.

Seated in a suite at the Savoy, where he is lodging during his birthday celebrations, he seemed benignly amused by all the fuss, even needing some prompting to recall the names of his recent works. His "Prologue e Fantasia" was premiered here last month when Mstislav Rostropovich conducted the National Symphony Orchestra of Washington. Another new Walton piece, an eight-minute "Passacaglia" for unaccompanied cello, was introduced later, with Rostropovich as soloist.

But Sir William insisted, thumbing his nose at a greedy public, that he is presently working on "nothing, nothing, nothing." His principal efforts these days are spent tending the garden outside his luxurious hillside home on the Italian island of Ischia, where he has lived for the last 30 years with his strikingly handsome Argentinean wife.

It seems light years away from his days as a teen-ager, when he



Sir William Walton

William conceded with a grin, recalling how Edith Sitwell was far angrier with Coward than he.

The octogenarian has learned over some tempestuous years how to deal with criticism. Wielding his cane within inches of the writer, Sir William demonstrated how he had once alerted a particularly recalcitrant critic to his displeasure. "He didn't think it was at all funny then," he said, "but we're great friends now."

Perhaps unwittingly, Walton seems to have stirred controversy most of his life. While "Facade" was being rehearsed, one of the instrumentalists inquired if a clarinetist had ever done him an injury. In 1929, the viola virtuoso Lionel Tertis rejected by return mail the score of a viola concerto that Walton had written for him. Tertis subsequently heard Paul Hindemith perform the piece at its premiere and went on to perform the piece frequently.

Argument surrounded even the most popular of Walton's major works. During a rehearsal in Leeds of the oratorio "Belshazzar's Feast," the chorus refused to tackle the complexities of the writing until the conductor, Sir Malcolm Sargent, was sent up from London to arbitrate.

But as Sir William recalls today, the chorus's objections were nothing compared to those of Sir Thomas Beecham, who, convinced the piece had no future at all, suggested: "As you'll never hear the thing again, my boy, why not throw in a couple of brass bands?"

He did, and the work was first introduced by Sir Malcolm in 1931. With what one writer has called "a harsh, nagging angst which both makes and mars" it, "Belshazzar's Feast" remains a

landmark in British music and a classic in its dramatic vitality and original use of unaccompanied and solo voices.

When Walton's First Symphony was first performed in 1935, headlines blazed "Historic Night for British Music." The English composer John Ireland wrote to his colleague that the symphony "has established you as the most vital and original genius in Europe."

Such dramatic claims, of course, were disputed, but the expectations that Walton's musical feats had aroused by the time he was nearing his 40s were impressive.

He had won the Carnegie award for his first large-scale work, the Piano Quartet, when he was still in his school at 16. Then came his String Quartet that was played at the International Festival of Contemporary Music in Salzburg. There, at 21, he was first introduced to the radical Viennese composers, Berg and Schoenberg. The overture "Portsmouth Point" followed and was chosen for an international music festival in Zurich in 1926. It confirmed Walton's reputation as a leader of the avant-garde. He was not yet 25.

By the time World War II ended, numerous other pieces, including the Viola Concerto, "Belshazzar's Feast," the First Symphony, a coronation march for King George VI and the comedy overture "Scapino," had been added to his works.

Rejects Categories

Today, Sir William rejects as "anachronistic" suggestions that his oeuvre falls into pre-war and post-war categories, with the early works provocative and intensely modern and the later ones — including the opera "Troilus and Cressida," the film scores for three Shakespeare plays, the Cello Concerto of 1956 and his Second Symphony of 1960 — more romantic and somewhat old-fashioned.

If these lyrical and conventional strains did become more apparent in Walton's later pieces, one reason could have been an Argentinean beauty 20 years his junior.

"I was asked at a press conference in Buenos Aires what I thought about Argentinean women," reminisced Sir William, his seaward eyes suddenly gleaming. "So I pointed to a girl whom I had never seen before, and said 'I am going to marry her.' Three weeks later, Susana Gil Paso became his wife."

Sir William has long refused to swing with each musical pendulum, preferring as he once commented, "to compose something that will have the same merit whatever time it is performed." If this has helped check his reputation as the blazing white hope of Britain's musical future, he is hardly tormented. With a cheekiness worthy of some of his most satirical pieces, he confided, "You know, sometimes, I really don't even like music."

would lock himself in a London attic, spitting cherry stones out the window and wrestling with stubborn scores. "I never really thought I had talent, or was I ambitious," he recalled. "It was an awkward time of life."

His adolescent struggles were eased by the unflinching support of the eccentric and artistic Sitwell siblings, Sacheverell, Edith and Osbert, who not only befriended Walton but virtually adopted him for some 15 years. A musician-in-residence at their fashionable home in Chelsea, Walton was embraced by the Sitwells' social circle, which always included the

most prominent young talent of the time.

They were: arguably the most creative years of the composer's life. Before his 21st birthday, the lad who had failed his exams at Oxford University was giving a public performance at London's Aeolian Hall of a jaunty composition he had concocted with Edith and Osbert as light home entertainment.

"Facade," as he once put it, "enjoyed a frantic success de comode." It was not long before it was lampooned by Noel Coward, who walked out of one performance. "I really quite enjoyed my skit," Sir

William, in 1959, is resigned to the loss. In any case, he is now busy producing his own computerized Burmese-English dictionary.

And so the awesome original, which has been published in five lean volumes since 1941, appears destined never to get past the first letter of the Burmese alphabet, which has 33 consonants and 8 vowels. Since the first letter, a short "a," is especially important, about a fifth of the great dictionary stands completed.

The project was first proposed by a British official in Rangoon named C.W. Dunn. With another scholarly civil servant named J.A. Stewart, Dunn appealed for aid to the Burma Research Society.

By the mid 1920s the society and the government had granted a modest annual stipend, and in the next few years, British scholars, a French archaeologist, Burmese jurists and professors and volunteer readers joined in. They recorded usages from medieval chronicles, odes to kings, monkish doggerel, modern newspapers. They collected inscriptions and noted slang. By the end of 1931, 149 readers of more than 400 books had produced 420,967 slips.

The world depression intervened, and Dunn and Stewart, retiring from the civil service, took the slips to England, where they were kept

in a study in the garden of Stewart's house in Hertfordshire. Dunn bought a house nearby and various Burmese assistants came and went.

Hla Pe arrived in England in 1939 to get a teaching diploma. But he stayed on to do the dictionary and later rose to eminence at the School of Oriental and African Studies, which in 1953 took over the project and the slips. Stewart died in 1948, and when Dunn died in 1963, Hla Pe became the editor.

"By the late 1960s," Okell said, "the expected date of completion was becoming absolutely absurd. I got a bit worried about this and mentioned it to Hla Pe, but he looked at the project as a sacred trust and would hear none of it."

Okell said that Hla Pe, with part two long behind him, retired a couple of years ago and returned to Burma with his wife. He seemed to accept the inevitable.

The dictionary's last editor said said the Burmese language commission, set up by Ne Win, had done excellent work.

"In a remarkably short time they produced this," said Okell, touching several volumes of Burma's new concise Burmese-English dictionary, completed in 1980.

Grandiose Dictionary Project Founders at 'A'

By Colin Campbell  
New York Times Service

LONDON — One of the oddest chapters in the history of dictionary-making is ending here this spring, when half a million slips of paper, each bearing a quotation from Burmese speech or literature, are to be shipped back to Rangoon in oak filing cabinets.

The project, a definitive Burmese-English dictionary, conceived in 1913 as a monument to Oriental scholarship and lexicography, is being abandoned about one-fifth complete.

"It was really a wildly impractical scheme when you look back upon it," says John Okell, the dictionary's last editor and a lecturer at London University's School of Oriental and African Studies. "Not enough manpower."

It was probably doomed to remain unfinished on the day when Okell's predecessor and mentor, Prof. Hla Pe, retired to Burma in the late 1970s after half a century in England.

However, in Burma, where there has been an upsurge in the study of English, Gen. Ne Win, the nation's chief of state, is said to be strongly interested in seeing a new Burmese-English dictionary completed as soon as possible.

Okell, who became involved in the dictionary

Records: Vintage Joplin, Parker

By Michael Zwetzn  
International Herald Tribune

PARIS — Two first-class recent albums, one rock, one jazz, feature previously unreleased material by late, legendary performers.

If not the best, "Forever Song" (CBS) is certainly among the best of Janis Joplin. With Jim Morrison and Jimi Hendrix, Joplin embodied the freneticism, hope and energy — both creative and destructive — of the 1960s. All three were dead within a year of the decade's end.

Producer Elliot Mazer searched through vaults of record companies, television stations and film labs to come up with this collection of live and studio performances that Joplin recorded with Big Brother and the Holding Company, the Kozmic Blues Band and the Paul Butterfield Blues Band between January, 1967, and June, 1970. He overdubbed additional backing and remixed some of the tracks. For some years the Joplin estate refused to approve such tinkering, but it is competent, sensitive tinkering, and if you weren't told it wouldn't be noticeable.

Joplin was unique, classic, subject to too trends; she had one statement, belied it passionately and snuck with it. Her voice was rough and big and boozey, a voice with hair on it. Her time was as good as a good R&B singer. She had an extraordinary ability to make lyrics come alive, to push and pull rather than merely repeat them, to make them hers.

'Misery,' With Conviction

No other singer, except perhaps Billie Holiday, could pronounce the word "misery" with such conviction. And when she sings: "Everywhere I go people want to get out to me/That's okay as long as the next day I can be free," it is almost as though she is addressing her psychiatrist, or her most recent lover.

She was a loner, self-destructive, untamed, unsure of herself. She only really bloomed when she performed. (The film "The Rose" was based on her life.) Everything she sang sounded like the blues, and she lived a tortured life to match. She was a junkie, drank heavily, was once arrested for using profane language. She took risks both in the feeling she reached for musically and in her frighteningly obsessive pursuit of real-life kicks. Her material was excess — that's what she excelled at.

Country Joe McDonald describes her offstage personality in the liner notes: "She was a little too happy or too sad, too cooperative or too angry, too

open and generous or too closed and bitchy." She once said, with pride: "I was always outrageous."

One evening in February, 1953, in the Club Kavakos in Washington, D.C., master of ceremonies Willie Coover announced: "Ladies and gentlemen, Charlie Parker."

Parker had been invited to be guest soloist with a local white big band called The Orchestra. However, his reputation for unreliability was such that, though he had promised to come, the promoters did not feel sure enough about it to advertise, and nobody was more surprised than the band when he actually showed up.

The recently released recording of that event: "Charlie Parker: One Night in Washington" (Elektra) is a learning tool and historical document as well as a pleasure. There had been no rehearsal. Parker had no notes or chords to read, nobody had "talked" the arrangements down with him. He was armed only with his instincts and ears. This album is an absolute must for anybody even remotely interested in and moved by the drama of public creation that is at the heart of jazz.

Embellishing the Standards

Through such standards as "Fine and Dandy," "These Foolish Things," and "Thou Swell," Parker solos over sectional soli, full-band tuttis and even sudden modulations. Sometimes he hesitates for two or three notes, when he is not sure where the arrangement is going but then takes off again as though he wrote it. He must have been listening to Stravinsky at the time because he quotes from the trumpet solo in "Petruška" twice. There are also strains from "Woody Woodpecker," "Who's That Knocking at My Door?" "Happy Am I With All My Troubles" and "Blues in the Night."

One Parker phrase startled the pianist so much that he turned the time around (played two where one should be) and the band followed him. Only Parker kept it to the right place and like a Fred Piper finally led everybody else behind him. Occasionally he stopped, thinking it was time for another soloist but took off again after shouts of "Go, Bird."

Producer Joe Timmers' remastering of the old tapes sacrifices the level of the band in favor of the soloist, and the ensembles and rhythm are often foggy. But unlike other posthumous Parker releases, his saxophone sound is true and clear and positively leaps out of the speaker. It's like discovering a crew Van Gogh.

U.S.-China Study Center Planned

The Associated Press

BALTIMORE — A permanent center for Chinese and American studies, sponsored by Johns Hopkins University and a university in China, is scheduled to open late in 1984. It is the first such venture since the normalization of relations between the two countries.

The agreement, which was announced recently in Washington by Johns Hopkins officials, was reached with Nanjing University. The center will eventually draw together 100 graduate students from both countries. As many as 16 professors will offer non-degree courses in humanities, economics, political science and international relations at the Chinese school.

Under the program, which was actually agreed to in September, the students would be recruited from throughout both countries. A

master's degree and a knowledge of Chinese would be required for the American students, while Chinese students would be expected to know English and have graduate degrees.

The students would live and study together for an academic year in a separate facility to be built at Nanjing at an estimated cost of \$5 million.

Costs Would Be Shared

Costs would be shared equally "in principle" by both universities, Hopkins officials said.

"Our hope and expectation is that this center will become a means whereby the two universities will turn out a key group of future leaders who will understand each other's culture... and that will strengthen already existing ties between the two countries," said

Johns Hopkins president Steven Muller.

"This is a very bold venture, and it is a complicated exercise in partnership," Muller told a press conference in Washington.

Xu Fujie, vice president of Nanjing University, told the reporters through a translator: "This development will have great impact on the improvement and furtherance of relations between the Chinese and American people."

Muller said Johns Hopkins would try to raise funds from private and public sources. Another area of possible collaboration, according to Johns Hopkins officials, is the school's Space Telescope Science Center — under construction in Baltimore for studying data from telescopes attached to the space shuttle.

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COUNTRY	12 months	6 months	3 months	COUNTRY	12 months	6 months	3 months
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Algeria (ar)	\$ 330.00	\$ 165.00	\$ 92.00	Libya (ar)	\$ 248.00	\$ 124.00	\$ 69.00
Algeria, ex-fr. union (ar)	\$ 220.00	\$ 110.00	\$ 63.00	Luxembourg (ar)	\$ 4,400.00	\$ 2,200.00	\$ 1,400.00
Africa, ex-fr. union (ar)	\$ 330.00	\$ 165.00	\$ 92.00	Madagascar (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Algeria (ar)	\$ 220.00	\$ 110.00	\$ 63.00	Mali (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Amman (ar)	\$ 2,700.00	\$ 1,350.00	\$ 736.00	Mexico (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Belgium (ar)	\$ 5,400.00	\$ 2,700.00	\$ 1,500.00	Morocco (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Bolivia (ar)	\$ 230.00	\$ 115.00	\$ 63.00	Netherlands (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Canada (ar)	\$ 330.00	\$ 165.00	\$ 92.00	Norway (ar)	\$ 810.00	\$ 405.00	\$ 225.00
Ceylon (ar)	\$ 230.00	\$ 115.00	\$ 63.00	Pakistan (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Czechoslovakia (ar)	\$ 230.00	\$ 115.00	\$ 63.00	Poland (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Denmark (ar)	\$ 990.00	\$ 495.00	\$ 270.00	Polynesia, French (ar)	\$ 248.00	\$ 124.00	\$ 69.00
Egypt (ar)	\$ 248.00	\$ 124.00	\$ 69.00	Portugal (ar)	\$ 2,200.00	\$ 1,100.00	\$ 550.00
El Salvador (ar)	\$ 230.00	\$ 115.00	\$ 63.00	Romania (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Finland (ar)	\$ 810.00	\$ 405.00	\$ 225.00	Saudi Arabia (ar)	\$ 248.00	\$ 124.00	\$ 69.00
France (ar)	\$ 720.00	\$ 360.00	\$ 198.00	South America (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Germany (ar)	\$ 360.00	\$ 180.00	\$ 99.00	Spain (ar)	\$ 2,600.00	\$ 1,300.00	\$ 650.00
Ghana (ar)	\$ 230.00	\$ 115.00	\$ 63.00	Sweden (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Greece (ar)	\$ 2,200.00	\$ 1,100.00	\$ 550.00	Switzerland (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Hungary (ar)	\$ 230.00	\$ 115.00	\$ 63.00	Thailand (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Iraq (ar)	\$ 248.00	\$ 124.00	\$ 69.00	Turkey (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Israel (ar)	\$ 230.00	\$ 115.00	\$ 63.00	U.A.E. (ar)	\$ 330.00	\$ 165.00	\$ 92.00
Italy (ar)	\$ 720.00	\$ 360.00	\$ 198.00	U.S.S.R. (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Japan (ar)	\$ 248.00	\$ 124.00	\$ 69.00	Yugoslavia (ar)	\$ 230.00	\$ 115.00	\$ 61.00
Kenya (ar)	\$ 144,000.00	\$ 72,000.00	\$ 39,600.00	Zaire (ar)	\$ 330.00	\$ 165.00	\$ 92.00
	\$ 330.00	\$ 165.00	\$ 92.00	Other Eur. Comm. (ar)	\$ 230.00	\$ 115.00	\$ 61.00

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## Japan Is Told Pre-Summit Strain Grows

From Agency Dispatches

TOKYO — The United States has warned Japan that it can expect to be sharply criticized at the seven-country summit of industrial powers in June unless measures are taken by then to widen its markets to Western imports, Japanese Foreign Minister Yoshio Sakuruchi said Thursday.

Speaking at a news conference after returning from two days of talks in Washington, Mr. Sakuruchi said that U.S. Secretary of State Alexander M. Haig, who gave the warning, specifically referred to Japan's restrictions on imports of agricultural products and advanced technology.

Mr. Sakuruchi said that Japan would make an effort on the trade issue with the Versailles, France, summit in mind. He told reporters, however, that a meeting Tuesday of Cabinet members responsible for economic affairs was unlikely to decide on specific steps.

"What will have to be done first is to win the cooperation of every relevant ministry or agency," he said.

U.S. trade representative William Brock said in Washington that he expects Japan to take significant actions in the next two or three months on opening its markets to foreign goods.

And Norihisa Hasegawa, vice president of the Federation of Economic Organizations or Keidanren, said in Tokyo that Japanese businessmen were pressing the government to cooperate with U.S. and EEC demands, and that he hoped that Premier Zenko Suzuki "will be brave enough to open the [Japanese] market."

The Cabinet will be briefed by Mr. Sakuruchi and by special trade representative Masumi Esaki, who is on a two-week mission to Western Europe.

Mr. Esaki said Thursday in Bonn that Japan has agreed to take steps to open its markets further, but he gave no details. "The main non-tariff barriers between Japan and Europe are those of language and distance. The Japanese market is not as closed as Europeans think," he added.

Responding to a statement by West German Economics Minister Otto Lambrecht that Japan's competitiveness should be more sharply mirrored in the yen exchange rate, Mr. Esaki said the yen is undervalued against the dollar because of high U.S. interest rates.

"A rate of 200 would be about right," he said. Currently, there are about 245 yen to the dollar.

## BUSINESS NEWS BRIEFS

### U.S. Firm Gets Norwegian Pipeline Contract

The Associated Press

OSLO — McDermott International of the United States has been awarded a 900-million-kroner (\$150-million) contract by the Statpipe Group, Statoil said Thursday.

Statoil, the Norwegian state oil company and operator for the group, said McDermott is going to lay a steel pipe from the offshore Statfjord field across the Norwegian trench to Kalsnes, western Norway, and from there a slightly smaller pipe to a riser platform in Block 16-11 on the Norwegian shelf.

The total Statpipe system, which will carry gas to Western Europe, will be about 850 kilometers (525 miles) long. It is scheduled for completion by the end of 1985.

### Sony to Build Videocassette Plant in France

Reuters

PARIS — Sony said Thursday it will invest 141 million French francs (\$23 million) to build a factory near Dax in southwestern France to produce videocassettes.

It said the factory will start operating next summer and should produce around 10 million videocassettes in the first year and 15 million in subsequent years. Around 70 percent of the output will be exported initially, and the factory will employ between 440 and 530 persons.

### Texas Air to Buy All of Continental Air Lines

New York Times Service

NEW YORK — Texas Air and Continental Air Lines announced a proposed agreement Wednesday under which Texas Air's 51 percent ownership of Continental would be increased to total ownership through exchanges of stock.

Under the proposal, each share of the 49 percent of Continental's common stock now held by Texas Air would be exchanged for four-tenths of a share of Texas Air common and \$4 in liquidating value of a new issue of Texas Air preferred stock.

The proposed consolidation, according to the announcement, would result in "significant operating cost reductions and revenue enhancements for both airlines."

### Shell Canada Arranges \$1-Billion Credit Line

Reuters

MONTREAL — Shell Canada recently arranged a \$1 billion stand-by credit with two Canadian banks, senior vice president Donald Taylor told security analysts here Thursday.

Later, he told reporters that the credit gives Shell Canada some flexibility in its plans for external financing this year. He gave no further details about the credit.

### Japanese Firm Makes Loan to Brazilians

Reuters

TOKYO — Nippon Amazon Aluminum said Thursday it signed an agreement to lend 31 billion yen (\$127 million) to a joint Brazil-Japan project to produce alumina and aluminum in Brazil.

It said the loan, for 10 years at 8-percent interest, is supplied by a group of Japanese banks led by Japan's semi-official Export-Import Bank and will be lent to two joint-venture firms in Brazil, Albras-Alumina Brasileiro and Alunorte-Alumina do Norte do Brasil.

Nippon Amazon, 40 percent owned by the Japanese government, said the money is part of 166 billion yen Japan has pledged to supply in loans to cover 49 percent of the \$2.6 billion project.

### Mideast Investors Take Control of U.S. Firm

Washington Post Service

WASHINGTON — FGB Holding Corp., a subsidiary of a Netherlands corporation controlled by Middle East investors, has purchased nearly 3 million shares of common stock in Financial General Bankshares, giving it control of the Washington-based company.

FGB's purchase of 2.9 million shares, when added to the 1.2 million Financial General shares already owned by FGB's parent, Credit and Commerce American Investment, gives the Middle East group 62 percent of Financial General's outstanding common stock.

FGB announced Wednesday that it had begun purchasing Financial General stock as part of a cash tender offer of \$33.80 a share that began March 3. The deadline for withdrawing shares tendered in response to the offer ended Tuesday.

## Occidental, China Sign Deal for Coal Mine

From Agency Dispatches

PEKING — Occidental Petroleum signed an agreement with China on Thursday to carry out a feasibility study that the U.S. company expects will lead to a joint venture to develop the world's biggest coal mine with reserves of 1.4 billion metric tons.

Occidental Chairman Armand Hammer said that, if the study leads to a joint venture, Occidental will invest \$230 million in the open cut mine at Pinghuo, 500 kilometers west of Peking. He said the plans call for construction to begin April 1, 1983, with production reaching 15 million tons a year by 1986.

Final production should reach 45 million tons a year, he told the signing ceremony in the Great Hall of the People, where the deal was toasted with champagne by Mr. Hammer and Kong Xun, chairman of the China National Coal Development Corp.

Profits from the coal mine will be split 50-50

## Controls on Currency Tightened by France

Reuters

PARIS — France tightened exchange controls Thursday to bolster the ailing franc against the dollar and the Deutsche mark.

The most important of the several changes made by monetary authorities in the country's already strict exchange laws was a reduction in two weeks from one month of the time allowed for exporters in repatriate foreign currency, retroactive to March 15.

The measures also altered a regulation that requires French companies in finance only 25 percent of their direct foreign investment through transfers of French francs, the remainder being raised abroad.

The Finance Ministry said an exemption under which the first million francs of such investments are not affected by the regulation no longer applies.

The government said the tighter foreign exchange controls would not hinder trade between France and other countries. It said the decision to reduce the period an exporter can hold foreign currency revenues is designed to prevent speculation against the franc by French exporters.

The government also increased the period after which French citizens abroad acquire the status of non-resident to two years from one, and French citizens will also be required to obtain Bank of France authorization to transfer donations to non-residents or to

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The government also increased the period after which French citizens abroad acquire the status of non-resident to two years from one, and French citizens will also be required to obtain Bank of France authorization to transfer donations to non-residents or to

transfer funds abroad to buy a second home.

In response to the government's actions, the franc improved slightly against the dollar at the opening in Paris, dealers said. The franc later weakened in nervous trading, as the dollar was also boosted by firmer Eurodollar rates.

However, the franc closed higher against both the dollar, at 6.2225 francs compared with a fixing of 6.2445, and the Deutsche mark, at 260.41 francs per 100 from its setting of 261.10, dealers said.

Dealers said the Bank of France apparently did not intervene to defend the franc, adding they expect less speculation against the French unit in the next few days.

While the government's action will curb speculation against the franc, some analysts said, it will not change the fundamental need for its devaluation within the European Monetary System.

They said these measures have no influence on the wide divergence between West German and French inflation rates, more than six percentage points, or on the size of its current-account deficit, which will likely force a new EMS realignment.

French Prime Minister Pierre Mauroy flew to Bonn Thursday for a brief meeting with Chancellor Helmut Schmidt on EMS finance problems. The meeting, arranged at France's request, was held four days before the EEC summit meeting in Brussels.

Also on Thursday the premiers of Belgium and Luxembourg met in Brussels to discuss a 60-year-old monetary union between the two countries, which Luxembourg has threatened to end unless it is reformed.

## Saudis Set Loan to World Bank

Reuters

RIYADH — Saudi Arabia has agreed to lend the World Bank \$800 million in 1982, Finance Minister Mohammed Abdul-Khalil said Thursday.

Part of the agreement, arranged during a visit in Riyadh last year by World Bank President A.W. Clausen, has been signed and the balance will be concluded shortly, he said.

Saudi Arabia agreed last year to lend the International Monetary Fund 4 billion special drawing rights (\$4.48 billion) in 1981 and another 4 billion SDRs in 1982 and indicated it intended to make further loans in 1983 if its balance of payments and reserve position permitted.

Mr. Abdul-Khalil said a final decision on the third tranche would not be made until later this year.

### Continued PLO Support

Reuters

He said Saudi Arabia would continue to press for observer status for the Palestine Liberation Organization at September's joint annual meeting of the World Bank and IMF in Toronto. He added that he hoped a reasonable compromise could be reached this year, with Kuwaiti Finance Minister Abdul-Latif al-Hamad chairing the gathering.

Mr. Abdul-Khalil said that he expected international lending would become more selective in the next year and that it would be more difficult for developing and semi-industrialized countries to borrow.

"If we see any increase in lending it will be for the private sector of the industrialized countries," he said.

Asked if Saudi Arabia would be prepared to make direct loans to

Third World countries struggling to find cash, he said. "That is banking business."

Mr. Abdul-Khalil said Saudi Arabian development aid to Third World countries in fiscal 1982 would be about \$5 billion and about the same next year, with no effect from lower oil revenue.

He said he expected a proposed huge investment fund to be owned by the Gulf Cooperation Council countries to be in operation by the end of the year.

Mr. Abdul-Khalil said he would meet his colleagues from Kuwait, Bahrain, Oman, Qatar and the

United Arab Emirates in June or July to make a final decision on its capital and other details.

He added that during a recent visit to Vienna, Mr. Hammer signed an agreement to lend \$300 million. He gave no details but said press reports had greatly exaggerated the amount.

Mr. Abdul-Khalil declined to discuss reports of Saudi Arabian lending in Iraq to finance its war with Iran or talk about reports that Saudi Arabia and other Gulf countries had promised financial aid to Nigeria if it held the OPEC oil price line.

## N.Y. Stock Prices Gain in Uneven Trading

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange turned in an uneven performance Thursday but ended the day higher, reflecting the conflict between investors who think the recession is fading and those who see continued hard times.

During the day the Dow Jones industrial average fell almost three points and rose more than seven before closing up 4.29 points at 327.63. Advances led declines, 820 to 600, and volume rose to 51.97 million shares from 49.38 million Wednesday.

Analysts said the market usually anticipates events six months in advance and so many investors are beginning to buy in anticipation of an economic recovery.

But Norman Robertson, chief economist for the Mellon Bank, said the recession and its high unemployment will continue until the federal government, with its "gargantuan" budget deficit, stops

soaking up most of the money available for lending.

Mr. Robertson estimated the "absolutely horrendous" proposed federal budget deficit would amount to nearly \$150 billion, compared with Reagan administration's estimates of less than \$100 billion.

Robert Stovall of Dean Witter Reynolds acknowledged that corporate results for the second quarter may be just as poor as those expected for the first quarter, but the business cycle is starting to turn up.

Mr. Stovall also said that Wednesday was the close of the March settlement period for institutions. Consequently, the selling off of unpopular stocks that marked the end of the quarter has been completed and many institutions are reinvesting their heavy cash positions.

Oil, blue chip, technology and some of the bargain-priced tech-

nology stocks were among the gainers.

In corporate news, Republic Steel said it will incur "substantial" operating losses in the first quarter. In the first quarter of last year, the company had net earnings of \$32.6 million, or \$2.01 a share, which included a \$6.2 million gain from an income tax settlement.

Treasury officials overseeing the Chrysler loan guarantee said the automaker's cash position has "improved dramatically" since last summer. Lachlan Seward, acting director of Treasury's Office of Chrysler Finance, said, "It now looks as if the cash balances will be at favorable levels well into 1983 at least."

Fluor said Thursday that its Mining & Metals subsidiary was awarded a contract to design a \$200 million coal project in Venezuela. The value of the award to Fluor was not disclosed.

## UAW's Council at GM Approves New Pact

Reuters

CHICAGO — The United Auto Workers' General Motors council Thursday approved a new contract negotiated for the union's 300,000 GM employees last weekend. The new pact now must be approved by all of the UAW's GM employees.

A UAW spokesman said about 90 percent of the 300 council members voted in favor of the new contract, which includes an 18-month freeze on wages and benefits and a profit-sharing scheme for GM employees.

## Saudi Spending Plans Unhurt by Output Cut

By Thomas Thomson

RIYADH — Saudi Arabia can survive the current oil glut without cutting government spending or drawing on its financial reserves, Finance Minister Mohammed Abdul-Khalil said Wednesday.

"We will not cut our spending and we will not take from our reserves," he said.

Mr. Abdul-Khalil was speaking as other OPEC governments warned that they faced budget deficits and spending cuts following the cartel's decision in Vienna last Saturday to cut output to defend oil prices.

Saudi Oil Minister Sheikh Ahmed Zaki Yamani said that the kingdom would cut its oil production ceiling to 7 million barrels a day beginning April 1 from 7.5 million and would go lower if necessary to preserve OPEC's \$34 a barrel benchmark price.

Mr. Abdul-Khalil was asked about Sheikh Yamani's statement that the kingdom needed production of 6.2 million barrels a day to meet its spending needs.

Asked if this meant Saudi Arabia would not cut output below 6.2 million barrels a day to defend OPEC prices, he said: "We don't try to calculate our balances on a

## Norway Cuts Estimate of Revenue From Oil and Gas by Two-Thirds

Reuters

OSLO — Norway has cut its estimate of oil and gas revenue for the next four years to 60 billion kroner (\$9.9 billion) from the 170 billion kroner expected a year ago, Finance Minister Rolf Presthus said Thursday.

He said the cut is mainly the result of falling oil prices and lower than expected production in the North Sea fields.

The loss of revenue will have major effects on the government's long-term planning, he said, adding that Norway will again have to resort to borrowing abroad.

Mr. Presthus said the government will be submitting fresh oil and gas revenue estimates to Parliament with the revised national budget, expected to be presented in April or May.

## CURRENCY RATES

Interbank exchange rates for March 25, 1982, excluding bank service charges.

Unit: 1 U.S. dollar = 100 cents

Unit: 1 U.S. dollar = 100 cents

Unit: 1 U.S. dollar = 100 cents

Unit: 1 U.S. dollar = 100 cents

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Unit: 1 U.S. dollar = 100 cents

"seven point something" percent.

Mr. Abdul-Khalil said the kingdom's program over the past two or three years to diversify its foreign assets had reached the stage where the spread reflected the "best representation of the actual importance of the main currencies."

He said the kingdom had given gold no importance as an investment, adding that the recent slide in the world bullion price "proved us right again."

### Emirates Tighten Lending Law

ABU DHABI (AP) — The United Arab Emirates announced new restrictive measures on foreign lending Wednesday, one day after saying it would suffer its first-ever budget deficit in fiscal 1981-1982.

Banks operating in the country must have, as a local reserve, at least 30 percent of sums they wish to lend to foreign borrowers, the central bank said. The figure previously was 15 percent.

## Japanese Report Sales of Zeros for Exchange Profit

Reuters

TOKYO — Japanese investors have been selling zero-coupon bonds in recent days to take profits from a sharp depreciation of the yen against the U.S. dollar, securities sources said Thursday.

A leading securities firm estimates sales of such bonds have reached an estimated \$120 million face value or about \$30 million net investment basis, mainly in the past few days although there had been small selling since February, they said.

Investors started a buying rush for such bonds in January, when the dollar was at around 218 yen, they noted. Since then the dollar has firmed, closing at 243.90 yen Thursday.

Japanese investors' purchases of zero-coupon bonds reached \$1.12 billion by the end of February, before the Finance Ministry early this month banned their sale by securities firms in Japan. Prices of the bonds on the Eurobond market since the ban, the securities sources said.

Japanese investors who sold zero-coupon bond holdings are concerned of the possibility that the ministry will make the bonds taxable even when sold before maturity, the sources added.

## Well Off New England Fails to Find Oil, Gas

The Associated Press

BOSTON — A second exploratory well drilled on the Georges Bank off New England has turned up dry. Shell Oil said Wednesday that analysis of rock samples taken from the 15,568-foot well showed no traces of oil or natural gas.

In December, Exxon announced that a 14,118-foot well also was dry. The U.S. Geological Survey has estimated 150 million to 530 million barrels of oil and 2 trillion to 3 trillion cubic feet of gas could lie under the area.

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## Highlights of the year 1981

For our Group, 1981 was a highly successful period. Earnings rose by 22.7%, our capital reached US\$ 920 million and new offices were opened in Singapore, London, Athens, Buenos Aires, Monte Carlo and Los Angeles.

Our strategy of matching the interest rate sensitivity on assets and liabilities stood us in good stead, and throughout the year we continued to refine our treasury management systems. This, combined with cautious lending, enabled us to achieve a significant increase in profits despite difficult economic conditions and unpredictable interest rates. The rise in net interest income more than compensated for reduced turnover in precious metals.

The Boards of Trade Development Bank Holding S.A. and Republic New York Corporation have announced that they are studying the possibility of an amalgamation. Founded by Trade Development Bank in 1966 with a capital of US\$ 11 million, Republic now accounts for nearly half the Group's total capital and earnings. An amalgamation would be a logical step to simplify the Group's corporate structure and concentrate its capital resources in one banking enterprise. However, before taking such an important step, both Boards would have to be

satisfied that the interests of clients and minority shareholders would be protected and that the amalgamation is acceptable to the regulatory authorities. We have therefore formed a study group to make a detailed investigation before making a final recommendation to shareholders.

The Board is recommending a dividend of US\$ 1.40 per share, compared with the regular dividend of US\$ 1.00 per share paid last year, to which was added an anniversary bonus of US\$ 0.25 per share.

16th March, 1982

EDMOND J. SAFRA  
Chairman



Location of Trade Development Bank Holding headquarters in Luxembourg

## Consolidated Balance Sheet as at 31st December, 1981

Before provision for proposed dividend

31st December			31st December		
1981			1980		
US\$ 000			US\$ 000		
Assets			Liabilities		
Cash, balances and advances to banks	4,089,996	3,512,081	Deposits, balances due to customers and interest reserves	10,867,681	8,918,509
Bank certificates of deposit	1,373,590	711,866	Accrued interest payable	189,435	122,660
Precious metals*	199,857	409,128	Other liabilities	116,466	128,517
Financial paper	2,501,514	1,825,207		11,173,582	9,169,686
Government and municipal bonds (USA and UK)	426,551	636,756	Capital and loan funds:		
floating rate bonds	304,368	251,341	Loan funds due:		
Other bonds and securities	688,922	526,147	from one to two years	1,812	18,856
Customer current accounts and advances	2,036,446	1,774,654	from two to five years	59,524	14,404
Investments	28,190	28,838	from five to fifteen years	187,478	118,861
Fixed assets	108,208	83,622	over fifteen years	105,825	172,869
Accrued interest receivable	241,701	157,464	Minority interests	180,012	160,988
Other assets	94,036	102,424	Shareholders' funds:		
			Share capital	24,833	24,751
			Reserves	360,696	297,421
			Total shareholders' funds	385,529	322,172
			Total capital and loan funds employed	920,177	808,173
				12,093,599	9,977,641
	12,093,595	9,977,661		481,052	508,983
			Letters of credit, acceptances and guarantees		

\*Net position unvalued by net  
jewel and sales  
1981: US\$ 926,000  
1980: US\$ 7,897,000







## Rhône Sues to Stop Morton Sale to P&G

By Phillip H. Wiggins  
New York Times Service

NEW YORK — Rhône-Poulenc is suing to block the \$371-million sale of the pharmaceutical division of Morton-Norwich Products to Procter & Gamble.

Rhône-Poulenc, which owns 20.3 percent of Morton-Norwich's outstanding common stock, said Wednesday that the sale would constitute a deliberate breach of agreements signed in February, 1978, between Rhône-Poulenc and Morton.

In 1978, Morton-Norwich and Rhône-Poulenc worked out arrangements to jointly develop new products for the U.S. market. The agreement that Procter & Gamble entered into to purchase the Norwich-Eaton Pharmaceuticals division puts the joint venture in an uncertain position. That, according to analysts, is why the French textile, chemical and pharmaceutical concern is attempting to block the merger until the situation is resolved.

Procter & Gamble is one of the largest U.S. producers of consumer household products, especially soaps and detergents. The acquisition of the Morton-Norwich unit, which produces professional drugs as well as over-the-counter medications, would put Procter & Gamble into a major new line of business.

"We are confident that our agreement to purchase Morton-Norwich's pharmaceuticals business is a firm and legally binding contract," said Robert M. Norrish, director of public relations of Procter & Gamble.

Before 1978, Rhône-Poulenc had for many years worked with American Home Products, a major producer of drugs, food and household products, in an arrangement similar to the one with Morton-Norwich. According to analysts, nothing "financially material" evolved from that arrangement.

"In my opinion, it seems that Rhône-Poulenc and Morton-Norwich really did not have an arrangement that produced much in

the way of tangible results," said David F. Saks, vice president and pharmaceutical industry analyst at A.G. Becker Inc. "Now maybe Rhône-Poulenc feels that they must renegotiate with Procter & Gamble to better define the future."

"I do not think this legal maneuver will prevent the Morton-Norwich-Procter & Gamble deal from going through," Mr. Saks added. As an alternative to halting the Rhône-Poulenc suit seeks damages and termination of the February, 1978, agreements between

Rhône-Poulenc and Morton-Norwich.

Earlier this month, Morton-Norwich, a major manufacturer of salt, chemical, consumer and pharmaceutical products, indicated that it feared that if Rhône-Poulenc sold its interest in Morton-Norwich as a single block, the purchaser might be tempted to try to acquire the company.

"Certainly one of our concerns was that we would become the target of a creeping kind of friendly takeover attempt," Thomas Russell, vice president of finance of Morton-Norwich, said March 3.

## VW Settles Customs Suit, Will Pay \$25 Million to U.S.

By Arnold H. Lubasch  
New York Times Service

NEW YORK — Volkswagen of America agreed to pay \$25 million to the U.S. government in the settlement Wednesday of a civil suit involving customs duties.

The government's suit charged that VW, a subsidiary of the West German car manufacturer, had violated the customs laws and had improperly reduced the amount of duties that it owed for cars imported into the United States.

From 1971 to 1975, according to the suit, the company failed to tell the Customs Service that it had taken unauthorized deductions and deviated from its prior practices in computing the dutiable value of the vehicles.

All charges of wrongdoing were denied by Volkswagen of America, which obtained a dismissal of the suit in the settlement. The company said it was settling the case to avoid more expenses and end the long litigation.

Under the settlement terms, the company agreed to pay \$5 million now and an additional \$5 million at the end of each year for the next four years, completing the total by Dec. 31, 1985. The amount includes \$5 million in duties, \$5 million in interest and a \$15 million penalty.

The settlement was announced by John M. Walker Jr., assistant secretary of the Treasury for enforcement and operations, and John S. Martin Jr., the U.S. attorney in Manhattan.

Describing the settlement as

"most significant," Mr. Walker said "it should put the importing community and the customs bar on clear notice of the strong commitment the United States has to vigorous and fair enforcement of the customs laws."

The case grew out of a routine audit initiated in 1975 at the request of customs officials in Houston. After a long inquiry, the suit was filed in 1980.

In a statement Wednesday, the company said the case concerned "valuation for customs purposes of 1971-1974 model year vehicles manufactured by Volkswagenwerk in West Germany and imported by Volkswagen of America."

"The company has denied all allegations of wrongdoing in this matter," it said, adding that it had followed all customs laws and "received approval for the methods of valuation which were alleged to be erroneous."

"However," it continued, "the management of Volkswagen of America determined it was in the company's best interest to resolve these issues and end the case without additional expense and prolonged litigation."

Thomas F. McDonald, director of corporate public affairs, issued the statement at the company's headquarters in Troy, Mich. He added that the company has manufactured cars in the United States since 1978. During the 1971-74 period, Mr. McDonald said, it imported 1.8 million cars into this country and paid customs duties of \$143 million.

DAI-ICHI KANGYO BANK

## DKB ECONOMIC REPORT

March 1982: Vol. 11 No. 3

### Japan's business recovery seems to have come to a standstill as exports start losing steam

The recovery of the Japanese economy which had been underway at a moderate pace since the spring of last year appears to have come to a standstill since last year-end. Seasonally adjusted output dropped 0.3 per cent in November and 0.7 per cent in December from the preceding month, after rising 1.6 per cent during July-September over the preceding period and 1.5 per cent in October. The forecast index points to a 1.9 per cent and 2.4 per cent increase in January and February, respectively, over the preceding month, but exclusive of machinery industry, the trend is not so firm.

#### Rapid slowdown of export

The standstill of business recovery to a large extent is due to a rapid slowing of growth of exports which had been a key factor in sustaining the recovery. Expansion of exports has started losing steam before the much anticipated turnaround of domestic demand is yet to show up. The slowdown is evident from the trend of the rate of increase in export values. After a deep decline from a year earlier — 21.3 per cent in 1981 second quarter, 15.1 per cent in the third quarter and 6.0 per cent in the fourth quarter, it registered 8.8 per cent in January, this year, but when ships of which delivery was concentrated in the month were excluded, the rise was a mere 1.0 per cent.

Among reasons of slowing growth of exports is, first of all, the effect of voluntary restraint on Japanese exports designed to reduce trade frictions with the U.S. and the European Communities countries. In January, for example, car exports to the U.S. were up only 2.4 per cent over a year earlier, while those to EC dropped 14.3 per cent, with TVs to the area also falling 21.0 per cent. The second factor is the prolonged slump of European economies, and the third is a strengthening of the yen against their currencies. In the latter half of 1981, forcing down Japan's exports to them to change from an in-

crease of 25.3 per cent over a year earlier in the first half of the year to a drop of 22.2 per cent in the second half.

Exports to the U.S., in the meanwhile, have generally been faring well. Compared with a year earlier, they increased 19.2 per cent in the first half of last year and 26.8 per cent in the second half, with the high rate of growth continuing into this year — 18.2 per cent in January.

Japan's trade surplus with the country in 1981 amounted to \$13.4 billion, almost double the \$7 billion in 1980, severely straining the bilateral economic relations. Despite the weakening of the yen since the beginning of 1982, the fear of escalation of trade friction is inhibiting Japanese exporters from boosting shipments to the country.

#### Continued sluggishness of domestic demand

Domestic demand, from personal consumption on down, is continuing in doldrums. Real consumption expenditures of households to November rose 0.7 per cent over a year earlier, representing an improvement from a drop of 0.5 per cent in September and 2.8 per cent in October. Weakness as a trend stays on, however. Sales at large retail outlets, for example, grew only moderately — 8.9 per cent in November and 8.1 per cent in December over a year earlier. Consumer mood appears cooled off.

The weakness of personal consumption stems from a variety of reasons — slumping disposable income of wage earners' household and sluggish sales of personal proprietors, such as wholesale and retail and service business. Wage earners' households are suffering from a growing burden of non-consumption expenditures, such as income tax and social insurance premiums, as well as from slow growth of net income. And this is causing the slump in sales of personal proprietors business.

Private housing investment is also depressed. Since February, last year, new housing

starts have been trailing a year-earlier level every month with the sole exception of May. Drop in housing starts without official low-interest financing has been particularly steep. Housing starts in 1981 at 1,150,000 units were the lowest since 1967. The fundamental factor for the slump of housing investment is an inveterate rise in home cost, including land price, which is coupled with slow growth of people's financial ability to buy a home.

The impact of weak domestic demand and slowdown of exports is spreading in the corporate sector as well. First of all, private investment in plant and equipment is widely imbalanced as to size of corporation and field of industry. According to a survey by the Economic Planning Agency, capital investment by large corporations in the 1981 fourth quarter was firm with an increase of 8.6 per cent over the preceding quarter, but that by medium-sized firms decreased by 0.5 per cent.

In the meantime, inventory adjustment generally appears to have completed by last autumn. After a deep decline from May-end through October-end, the producers' finished goods inventory ratio has remained almost unchanged. The inventory ratio stayed flat during the 1981 fourth quarter simply in reflection of slow shipments and inventory build-up, and there are no signs of inventory buildup at the moment.

Bebid such a cautious corporate behavior is a feeling of uncertainty about the future outlook of earnings. Export prospects are not bright and recent volatility of the yen rate is rendering cost calculation difficult. At the end of last year, various institutions' forecast of corporate earnings anticipated a sizable increase in the second half of fiscal 1981 on the strength of a trend toward a higher yen and recovery of basic materials industries. As things are turning out, however, actual performances of corporate earnings look likely to end up far worse off than predicted.

Fiscal expenditures are losing steam of late because of accelerated spending on public works investment in the first half of the fiscal 1981. The contract value of public works investment during the October-December, 1981 period dropped 4.5 per cent from a year earlier and 9.7 per cent in January. The fiscal sector thus is turning out to be a negative factor for economic expansion.

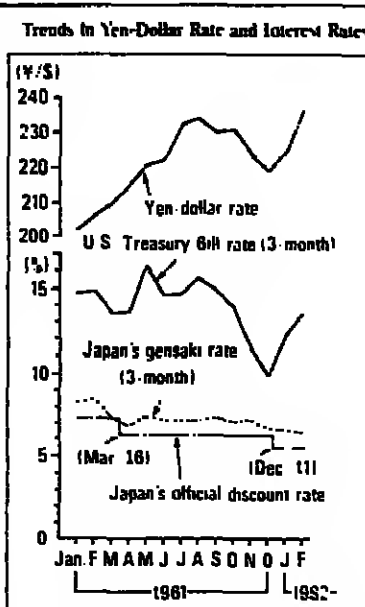
The yen rate which had been on a moderate upturn in the latter half of last year plunged after the turn of the year, with the interbank mean rate reaching 240.90 against the U.S. dollar on February 16, which compared with 219.90 at the year-end. The sharp decline of the currency was ascribed to the rebound of U.S. interest rates since the year-end.

Capital outflows in the form of increasing yen-based foreign bonds and offshore syndicated loans added to a weakening of the yen. The Japanese currency made a turnaround in the second half of February along with the decline in U.S. interest rates, but the likelihood is that it will continue to show volatile movements for the time being.

The first immediate impact of a weak yen on the Japanese economy could be a rise in prices, but at the moment prices are continuing stable. As for wholesale prices in January, while import prices rose 0.7 per cent and export prices 1.2 per cent over the preceding month, domestic prices dropped 0.2 per cent. The overall average remained unchanged from the preceding month and was up only 2.1 per cent from a year earlier.

Consumer prices also have been proceeding calm since last autumn, staying about 4 per cent above a year earlier. The index for Tokyo's 23 wards in January was up 0.1 per cent from December and 3.4 per cent from a year earlier.

While it will take some time for a rise in import cost to in-



Note: Figures are approximate and subject to change. The yen-dollar rate is the average of the interbank mean rate and the official rate. The interest rates are the average of the interbank mean rate and the official rate.

fluence prices, the slack in domestic supply-demand balance will keep it difficult to transfer cost increases to product prices. Such a difficulty in turn raises concern about adverse impacts on corporate earnings.

Another concern arising from a weak yen is possibility of deterioration of trade frictions due to a drop in import volume owing to decline in price competitiveness of imports.

#### Easy trend of corporate finance

Corporate finance is continuing relaxed owing to a relaxation policy both in terms of quality and quantity — the 0.75 percentage point cut of the Bank of Japan's discount rate in December, last year, and the switch of the window guidance system to total respect of each bank's own lending program, effectuated from the January-March quarter.

Nevertheless, the effect of easy credit has its limitations even if it can lessen burden of corporations' interest payments and stimulate investment. As told in earlier paragraphs, the slump of domestic and external demand has deep roots respectively, raising little hope of a sharp spontaneous upturn of business. Yet, fiscal policy cannot be expected either to play a role in spurring business, given the shackles of "fiscal rebuilding" and concern of tax revenue shortfalls.

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haps to find king-queen doubleton	Pass	4♣	Pass	4♣
with East, and the slam was doomed.	Pass	5♥	Pass	6♣
In the replay, North-South were con-	Pass	Pass	Pass	
stant to play four spades.	<b>West led the heart seven.</b>			



# Bradley Captures NIT Title With Triumph Over Purdue

By Malcolm Moran  
New York Times Service

NEW YORK — Given the opportunity to get on the soapbox one last time, the Bradley Braves reminded anyone who would listen of what they had shown between the white lines of the basketball court at Madison Square Garden. Their voices rose as they spoke Wednesday night after winning the National Invitation Tournament championship.

"We're tough," said Mitchell Anderson, the senior forward, after Bradley defeated Purdue, 67-58, to win the 45th tournament. It was Bradley's fourth NIT championship, tying St. John's, the only other school to win that many.

## No Hidden Feelings

Anderson scored 16 points, took 7 rebounds, had 3 assists and 3 steals, and was awarded the Ned Irish Trophy as the most valuable player of the tournament. Normally, he speaks slowly and quietly. But when he was reminded that a Missouri Valley Conference team had won the tournament for the second consecutive year — Tulsa defeated Syracuse last year — An-

derson reached forward and grabbed a microphone.

"His voice grew louder and rose an octave," Coach Anderson said. "His voice rose and rose and rose."

The bitterness that had simmered since the Braves were omitted from the 48-team field for the National Collegiate Athletic Association tournament became obvious after the nets had been cut down and the awards given out.

"We've won an average of 22 games in three years," said Dick Versace, the Bradley coach. "We've won the league two times in three years. We've been to the NCAA. And we won the NIT. What else do you have to do?"

The victory gave Bradley a 26-10 record this season. The announced crowd of 9,572 created an average of 10,194 for the two dates in New York. The average was the second lowest in the history of the tournament and the lowest since the current format, placing only the semifinal and final games in the Garden, was adopted in 1978.

As the nets were being cut down, the Bradley fans and cheerleaders gave the first reminder of the NCAA snub with the signs they held.

"We want Boston College," one of them said.

Another wondered, "How Bout a Big Now?"

The fans had made their point before the coach was asked the obvious question. Versace had angrily complained about the omission, and questioned that four teams from the Big East Conference had been included.

"A Great Tournament," Versace said. "You people didn't. The NIT is a great tournament. I hope it never dies."

But later, when asked how he thought the Braves would have done in the NCAA tournament, Versace said that if Bradley had been placed in the Midwest Regional it would be playing in New Orleans this weekend, in the national semifinals.

Versace traced the path that Boston College took to the regional final, against what he called "scared DePaul team, a not-very-talented Kansas State team and a Houston team that was very beatable."

But when the Braves cut down the nets and Anderson draped one around his neck, the picture was the same as it might have been in New Orleans. "This is the next best thing," said Willie Scott, the junior point guard who scored 17 points with 7 assists.

Scott directed an offense that

was able to maintain a fast enough pace to prevent Purdue (18-4) from taking advantage of its inside power. It was Scott's 12-foot jumper, with 3 minutes 10 seconds to go, that gave the Braves a 59-53 lead and slowed a Purdue rally.

David Thirkill, a 6-7 senior, helped hold Purdue's Keith Edmonson to 11 points, more than 10 below his average. Thirkill made three straight jump shots in the middle of the second half to keep Bradley ahead, with the third one drawing a fourth foul from Russell Cross, the 6-10 Purdue sophomore. Cross, who had scored 25 points in the semifinal game, shot 4 for 10 and scored 16 Wednesday night.

The all-tournament team included Scott, Cross, Edmonson, Eric Marbury of Georgia and Chuck Barnett of Oklahoma.

"I dreamed of getting to the Final Four of the NCAA," Anderson said, "and that dream never came true. This is my last year. It's the only way I want to go out."

Versace left with a smile, and one joke for the road. When he was asked to pick an NCAA winner, he said, "It'd be awfully disappointed if it wasn't a team from the Big East."

withheld full support said they had not completely changed their minds. The dissenters included Lynn Swann and Jack Lambert of the Pittsburgh Steelers and Jim Zorn and Steve Largent of the Seattle Seahawks.

At the closing meeting, the players were asked who would strike for a percentage of the gross. According to association officials, everyone stood.

Then the players were asked if anyone was opposed to bargaining for a percentage of the gross. One man stood — Keith Bishop, a reserve offensive lineman for the

Braves. "I don't particularly care for the concept," said Bishop, "but I will support it."

Ed Garvey, the association's executive director, said the standing vote by the players was not a strike vote. He said a strike could be called by the 28 player representatives only after a two-thirds affirmative vote by the players in team, mail or telephone balloting. That vote, he said, could come before or after the contract is signed.

The players were asked if the clubs and the players ends July 15. Zorn, a quarterback, and Largent, Zorn's kick receiver in recent years, had said that, because of their religious beliefs in the sanctity of contracts, they would cross a picket line in the event of a strike. Both Zorn and Largent are under individual contract for the coming season.

"I really learned a lot here," Zorn said. "I'm in favor of the objectives of the association. I want to continue to support our union, but I don't think I've changed my opinions."

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The percentage of gross income the association seeks is usually understood to be 55 percent. That is the figure that Ed Garvey, the executive director, had been using in public statements before formal bargaining opened last month. He has since said that the percentage is negotiable.

Before the convention, the association proposed a fixed wage scale under which salaries would be determined by length of service. For example, a first-year player would get \$75,000, a fifth-year player \$140,000 and a 12th-year player \$400,000. Each player would also receive productivity and cost-of-living payments and fringe benefits.

A few higher-paid players, such as Lambert, a linebacker, have said they would rather continue to negotiate individually. They prefer a salary, free-agent system, such as baseball's, to a fixed percentage of the gross. Lambert's new five-year contract is worth an estimated \$400,000 a year, making him the league's highest-paid defensive player.

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Keith Edmonson of Purdue (left) and Mitchell Anderson of Bradley going after a loose ball in the NIT basketball final.

## NFL Players Press for Cut of Gross

By Frank Lisitsky  
New York Times Service

ALBUQUERQUE, N.M. — The National Football League Players Association ended its three-day convention Wednesday after what appeared to be a largely successful but not perfect job of salesmanship.

Most of the 537 players here said they had reaffirmed their support of the association's major goal in current contract negotiations — a fixed percentage of the gross income of the league's 28 teams.

But several players who had

withheld full support said they had not completely changed their minds. The dissenters included Lynn Swann and Jack Lambert of the Pittsburgh Steelers and Jim Zorn and Steve Largent of the Seattle Seahawks.

At the closing meeting, the players were asked who would strike for a percentage of the gross. According to association officials, everyone stood.

Then the players were asked if anyone was opposed to bargaining for a percentage of the gross. One man stood — Keith Bishop, a reserve offensive lineman for the

Braves. "I don't particularly care for the concept," said Bishop, "but I will support it."

Ed Garvey, the association's executive director, said the standing vote by the players was not a strike vote. He said a strike could be called by the 28 player representatives only after a two-thirds affirmative vote by the players in team, mail or telephone balloting. That vote, he said, could come before or after the contract is signed.

The players were asked if the clubs and the players ends July 15. Zorn, a quarterback, and Largent, Zorn's kick receiver in recent years, had said that, because of their religious beliefs in the sanctity of contracts, they would cross a picket line in the event of a strike. Both Zorn and Largent are under individual contract for the coming season.

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## NFL Owners Reject Proposal To Alter Pass Interference

United Press International

PHOENIX — National Football League owners have rejected proposed rules changes involving lessening of pass interference penalties, a two-point conversion option after touchdowns and use of a kicking fee for extra points and field goals.

The league's competition com-

mittee had proposed a rule lessening the pass interference penalty from a first down at the spot of a foul to a simple 10-yard penalty. The committee also had proposed the two-point option by run or pass and the use of the fee, which is committed in colleges but not in the pro game.

The owners, meeting here Wednesday, did pass some minor rules changes. They:

- Reduced the penalty for incidental grasp of the face mask by the defense from a loss of five yards and a first down to only a loss of five yards.

- Further clarified the definition of a legal reception of a forward pass and specified that there is no possession when the ball comes loose simultaneously with the receiver performing acts necessary to establishing possession.

- Clarified the rule that there is no interference if there is any question as to whether the action causing incidental interference is simultaneous to the pass being touched.

- Required players to cover their hip pads with their outer uniforms.

The league owners also rejected proposed changes regarding unsuccessful free kicks, eliminating a safety when a passer is called for intentionally grounding a forward pass from his end zone and changing the spot of the snap for a punt-after-touchdown attempt from the 2-yard line to the 30-yard line.

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# Maria Epple Wins Final Giant Slalom

From Agency Dispatches

SAN SICARIO, Italy — Maria Epple of West Germany won the final women's giant slalom race of the World Cup season here Thursday, beating Erika Hess of Switzerland by slightly more than a half-second.

Maria's sister Irene finished sixth, which strengthened Hess' lead in the overall World Cup standings with one race left.

Irene Epple, who already clinched the World Cup giant slalom title, has a chance of winning the overall championship if she places at least second in the slalom in Montgenève, France on Saturday. Epple, however, usually does less well in slalom than in giant slalom.

Hess refused to accept congratulations. "Wait until Saturday," she told the well-wishers.

The victory was Maria Epple's third this winter. She was timed 1 minute, 11.04 seconds in the first run and 1:12.93 in the second for a total of 2:23.97. Hess clocked 2:24.33 and Christine Cooper was third at 2:24.70.

"Erika deserves to win the World Cup," Irene Epple said, "because I did not ski well enough in the last races of the season." As for Thursday's race, she said: "I was asleep in the first run. If you are number one to go down the track you never know what to expect, that is the problem."

Cooper had the second-fastest time in the first run, and was third fastest in the afternoon. "I did not ski well on the flats at the bottom of the track," she said. "I don't know why. I feel in good shape."

The race was held in perfect weather but the snow was hard and some parts of the course were icy. Both Hess and Cooper were through 50 gates over a 1,050-meter track with a drop of more than 300 meters.

## Orther Hurt

SAN SICARIO, Italy (AP) — Wolfgang Orther of Austria hurt his left knee in a training fall

Stemkowski Arrested

MINNEAPOLIS, N.Y. — Pete Stemkowski, a former National Hockey League player, was arrested Wednesday and charged with attempted grand larceny by extortion and criminal solicitation of an undercover agent, Stemkowski, 38, allegedly offered to pay an undercover agent \$20,000 to break the wrists and ankles of a man who owed him a large sum of money.

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Thursday at Montgenève and was taken to hospital. The Austrian men's coach, Karl Kahr, said the first diagnosis was that he had torn a knee ligament. Orther had been training for the final men's slalom race on Friday.

WOMEN'S GIANT SLALOM  
1. Maria Epple, West Germany, 2:23.97.  
2. Erika Hess, Switzerland, 2:24.33.  
3. Christine Cooper, U.S., 2:24.70.  
4. Irene Epple, West Germany, 2:24.70.  
5. Heidi Luderer, Austria, 2:25.20.  
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WORLD CUP STANDINGS  
1. Hess, 397 points.  
2. Irene Epple, 278.  
3. Cooper, 278.  
4. Nelson, 138.  
5. Maria Epple, 138.  
6. Heidi Luderer, 138.  
7. Heidi Luderer, 138.  
8. Heidi Luderer, 138.  
9. Heidi Luderer, 138.  
10. Heidi Luderer, 138.

FINAL GIANT SLALOM STANDINGS  
1. Irene Epple, 128.  
2. Maria Epple, 118.  
3. Hess, 105.  
4. McKinnon, 74.  
5. Cooper, 68.

## Navratilova Logs Number 25 With Victory Over Bunge

New York Times Service

NEW YORK — Martina Navratilova won her 25th consecutive singles match of the year Wednesday, a 6-1, 6-2 rout of Bettina Bunge in the opening round of the championship series of the women's winter tennis tour. The match lasted only 50 minutes, and Navratilova later described it as "uneventful ... like a safe airplane flight."

"She's playing well for sure," said Wendy Turnbull, who beat Kathy Jordan, 6-1, 6-3, and was to play Navratilova on Thursday in the second round of the double-elimination event. "But players get a bit backed off when they say it's Martina's tournament. I had a really close match with her a couple of weeks ago. The only way we could get any closer was to have a third-set tiebreaker. All the pressure is on her, even though she's got a lot of confidence."

Sylvia Hanika of West Germany scored a surprisingly easy 6-4, 6-1 victory over Mima Jausovec of Yugoslavia and also did not seem awed by Navratilova's streak. "I think if I were playing her and played like this, she would have to play very well to beat me," Hanika said. "She doesn't like to play, topspin."

Navratilova has had difficulty against Bunge. But after escaping from duce in the opening game and holding serve from 30-40 for 5-0, she converted reflex-like volleys winners from her hips and forehands, and more important, demonstrated renewed confidence and bite in her forehand drive-volley.

The most interesting match before the announced crowd of 8,587 involved two serve-and-volley stylists, Anne Smith and Barbara Potter, Smith won, 6-4, 7-6, taking the second-set tiebreaker, 7 points to 5. In the tiebreaker, Potter had control trouble with her first serve and ultimately double-faulted serving at 2-4.

The tournament involves the top eight players on the winter tour. Chris Evert Lloyd, Tracy Austin and Andrea Jaeger are all recuperating from injuries.

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## Plea to Cuba: Say It Ain't So, Fidel



